3 Largos Ltd produces three types of security camera – Ojo 1, Ojo 2 and Ojo 3.

The following forecast data is available for the year ended 30 June 2012.

	Ojo 1	Ojo 2	Ojo 3
Forecast demand (units)	1 000	700	400
Selling price (per unit) Costs (per unit)	\$400	\$450	\$550
Raw materials	\$150	\$170	\$241
Direct labour	\$100	\$150	\$175
Variable overheads	\$50	\$60	\$70
Fixed overheads	\$50	\$60	\$60

Labour is highly skilled and may be used to produce any of the three types of security camera.

REQUIRED

(a)

Prepare a statement to show the forecast contribution and profit or loss made by one unit of each type of camera produced.
[5]

each product for the year ended 30 June 2012.				
If the forecast output is produced, calculate the break-even point and the margin safety in units for each product. Show your workings.				

Lar	gos Ltd also operates a factory which	ch manufacture	s and sells ι	ınderwater ca	ımeras.
The	following details per unit are avail	able for the qua	arter ended 3	30 April 2011.	
		\$			
	Sales price	700			
	Variable costs	400			
	Fixed production overhead	100			
Fixe	ed production overhead is absorbed	l on forecast pr	oduction of 4	10 cameras p	er month.
Actı	ual production and sales (units)				
		February	March	April	
	Sales	30	40	45	
	Inventory at start of month	10	0	5	
	Inventory at end of month	0	5	10	
REC	QUIRED				
(d)	Prepare an income statement to costing.	show the profit	or loss in ea	ach month us	sing marginal

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.....[8]

(e)	Prepare an income statement to show the profit or loss in each month using absorption costing.
	[8]