

| | 2008 | 2009 | 2010 |
|-------------------------------|--------|--------|--------|
| | \$ | \$ | \$ |
| Fixed Costs | 60 000 | 66 000 | 70 000 |
| Direct materials (per unit) | 15 | 15 | 16 |
| Direct labour (per unit) | 8 | 9 | 9 |
| Variable overheads (per unit) | 4 | 6 | 7 |
| Selling price (per unit) | 40 | 44 | 46 |

The production and sales quantities during the period were:

| | | | |
|--------------------|--------|--------|--------|
| Production (units) | 15 000 | 12 000 | 16 000 |
| Sales (units) | 12 000 | 13 000 | 16 000 |

All inventory has been valued using FIFO.

REQUIRED

- (a) Prepare a statement showing the gross profit for **each** of the **three** years if the company used
- (i) marginal costing principles to valuing inventory (stock);

[illegible]

