	oduces compone nding 31 Decemb	nts for mobile telephones. The following budgeted data is available for the er 2018:
		Per unit
Direct I	materials	\$ 5.25 0.50 0.75 0.25
Break-	even point	16 000 units
REQUI	RED	
( <b>a</b> ) Ca	lculate the budge	eted fixed costs for the year ending 31 December 2018.
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••••		[3]
A dditi	onal information	
	Jilai ililoililatioli	
THE DU	daeted profit for t	the year ending 31 December 2018 is \$75,000
DEOLU		the year ending 31 December 2018 is \$75000.
REQUI	RED	
( <b>b</b> ) Ca	RED	ar ending 31 December 2018:
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( <b>b</b> ) Ca	RED	ar ending 31 December 2018:
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( <b>b</b> ) Ca	RED	ar ending 31 December 2018:
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	(ii)	budgeted contribution to sales (C/S) ratio (to <b>two</b> decimal places)	
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			2]
(c)	Stat	te the meaning of C/S ratio.	
(0)	Ota		
	111111	[	1]
(d)	(i)	State the name given to the difference between the budgeted total sales units and the budgeted break-even sales units.	ıe
		[	1]
	(ii)	Explain the significance of this difference to a business.	
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(f)	State <b>three</b> limitations of a break-even analysis.
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	[3]
Add	litional information
	is considering increasing the selling price to \$6.00 per unit from 1 January 2019. He expects all costs will remain unchanged.
RE	QUIRED
(g)	Calculate the number of units Ken must sell <b>each</b> month so the budgeted total contribution is the same as in 2018.
	[5]

(h)	Advise Ken whether or not he should increase the selling price taking into account both financial and non-financial factors.
	[4