

- 3** The Varihary Company manufactures 2 products, Sintax and Gremmer, which sell for \$10 and \$15 respectively.

The following figures apply to the year ended 30 September 2002:

	Sintax	Gremmer
Sales	\$90 000	\$30 000
Variable costs per unit	\$6	\$12

Fixed costs for the company amounted to \$10 000.

- (a)** Calculate the number of units of Sintax and Gremmer sold during the year ended 30 September 2002.

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- (b)** Calculate the contribution to sales ratio for each product for the year ended 30 September 2002.

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- (c)** Calculate the contribution to sales ratio for the company for the year ended 30 September 2002.

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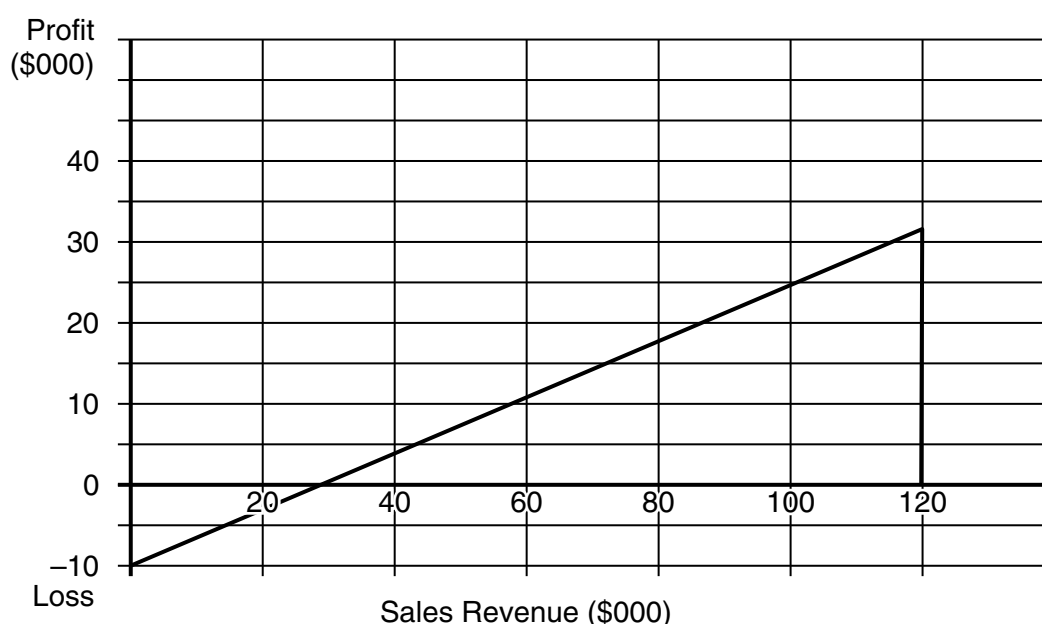
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- (d) From the following profit/volume chart for the company for the year ended 30 September 2002 determine the break-even point, the profit or loss at the present sales figure and the profit or loss at sales of \$20 000. Indicate clearly whether these are profits or losses.



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the year ending 30 September 2003 the company expects to increase total sales revenue by 10%, half of the total increase to apply to each product. Unit prices and costs will be unchanged, and fixed costs will remain at \$10 000.

- (e) Calculate the number of units of Gremmer and Sintax which the company expects to sell during the year ending 30 September 2003.

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- (f) Calculate the contribution to sales ratio for the company for the year ending 30 September 2003.

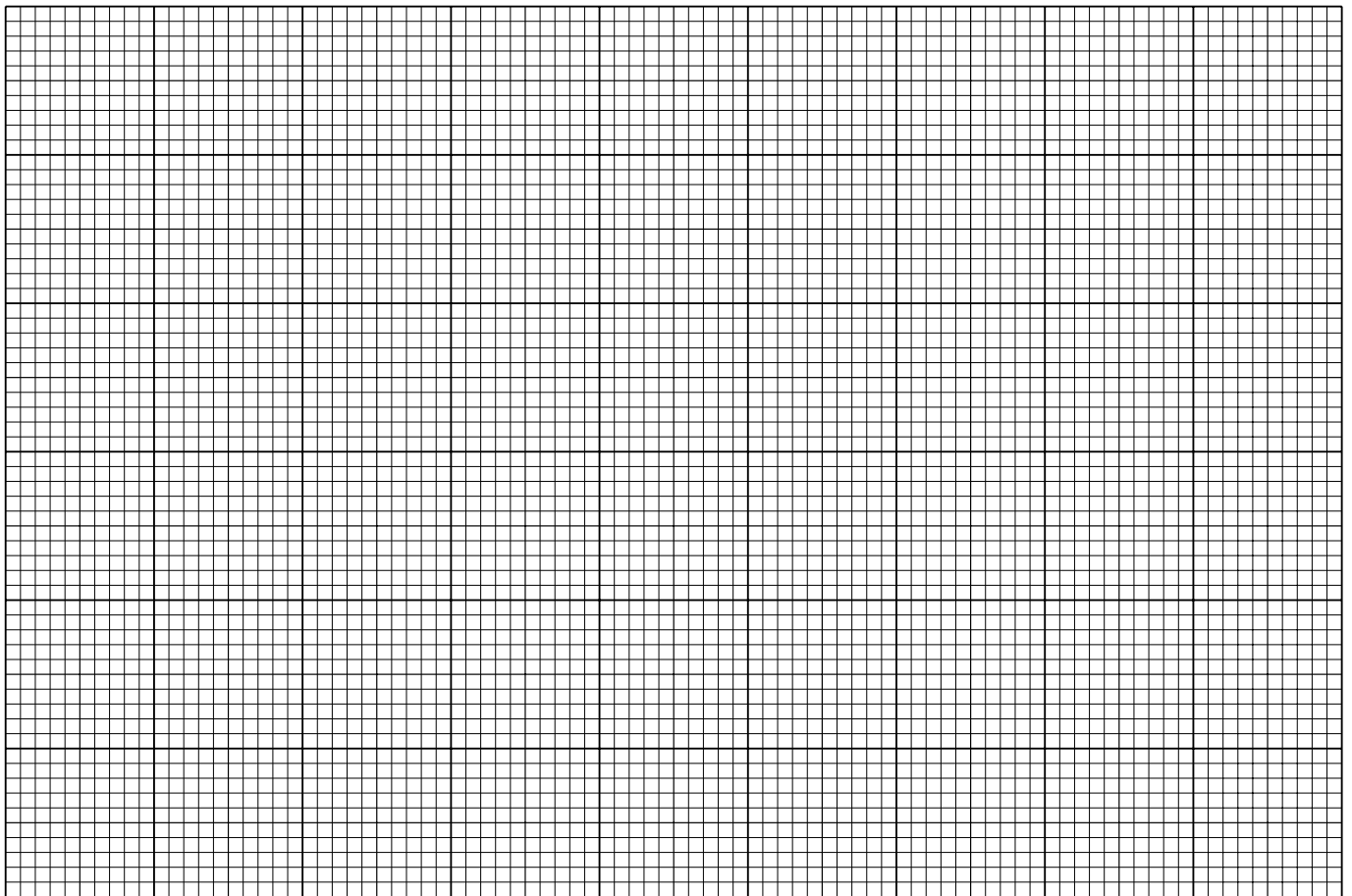
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- (g) Draw a profit/volume chart for the company for year ended 30 September 2003, showing break-even point, and profit or loss at the expected sales figure and at sales of \$60 000.



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