

- 3 Kirkton manufactures a single product, the Kirk. The following information relates to one unit of Kirk:

Per unit	\$
Selling price	35.00
Variable production costs	13.50
Fixed production costs	3.50
Variable selling costs	1.50
Fixed selling costs	1.00

Kirkton produces and sells 800 Kirks a week.

REQUIRED

- (a) (i) Calculate the weekly breakeven point in units.

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- (ii) Calculate the weekly breakeven point in revenue.

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- (iii) Calculate the margin of safety in revenue.

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- (iv) Calculate the margin of safety as a percentage.

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Kirkton has four different machines that are used in the production of the Kirk. One of the machines has broken down, causing production to stop completely. The company will be without the machine for a period of four weeks and the owners have two alternatives.

- ## REQUIRED

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