3 Fernando manufactures 3 types of refrigerator for Household, Business and Factory use. The following data apply to the year ended 30 April 2007.

	Household	Business	Factory	Total
Sales (units)	2 400 \$	900 \$	2 250 \$	5 550 \$
Total sales value	240 000	108 000	360 000	708 000
Total costs				
Direct material	96 000	45 000	112 500	253 500
Direct labour	72 000	28 800	94 500	195 300
Variable overheads	24 000	13 500	45 000	82 500
Fixed overheads	<u>57 600</u>	<u>27 000</u>	67 500	<u>152 100</u>
	<u>249 600</u>	<u>114 300</u>	<u>319 500</u>	<u>683 400</u>
Profit (loss)	(9 600)	(6 300)	40 500	24 600

REQUIRED

(a)	the yea	ar ended 30 A	pril 2007	calculate for	each type	e of refrigerator

- (i) the contribution per unit;
- (ii) the contribution as a percentage of sales.

Give answers to a maximum of two decimal places. Workings must be shown.
[12

(b)	Calculate the break-even point for each type of refrigerator in both units and dollars . Give your answers to the nearest whole number. Workings must be shown.
	[12]
(c)	The table at the beginning of the question shows that both the Household and the Business models appear to be making a loss. Explain why Fernando should not cease production of these two types of refrigerator.