3 Gerry Hatrick Ltd manufactures and sells video cameras. The unit selling price and production costs are as follows:

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Selling price	800
Direct materials	100
Direct labour	90
Variable overheads	50
Fixed overheads	160

The fixed production overheads assume a monthly production of 2000 units.

The following monthly costs are also incurred:

Fixed administrative overheads	$80 000
Variable sales overheads	10% of sales value
Fixed sales overheads	$120 000

During the month of September 2005 a total of 2400 units were produced, of which 1800 were sold. There was no stock on hand at the beginning of September.

REQUIRED

(a) Prepare profit statements for September 2005 using

(i) Absorption costing

(ii) Marginal costing

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(b) Explain why the profit found when using absorption costing differs from the profit found in marginal costing.

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(c) Calculate the break-even point for September 2005 in sales **volume**.

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