



Department of Education, Sabaragamuwa/weekly school

week- March 4

Subject-Accounting

Grade-13

Prepared by -
Zonal Education Office, Rathnapura.

Competency 15.0 – Supports the managerial decision making by analyzing the cost behavior and cost volume profit analysis.

Competency Level 15.2 – Supports the decision making using cost volume profit analysis.

“Nadeera PLC” produces and sells only one product. Following details are given in relation to that product.

Production capacity (units)	8 000
Current profit	Rs. 180 000.00
Contribution sales ratio	40%
Fixed cost	300 000.00

Calculate the following

- Margin of safety (Rs.)
 - Total contribution
 - Break Even point (Rs.)
 - Contribution per unit
 - Break even point (units)
 - Selling price per unit
 - Variable cost
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- Present capacity / sales units = 5 000
 - Selling price per unit = Rs. 200
 - Contribution sales ratio = 40%
 - Fixed cost = Rs. 240 000
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- Calculate contribution per unit?
 - Break even point in value and in units?
 - Calculate profit?

