



Department of Education, Sabaragamuwa/weekly school

week- April 1

Subject-Accounting

Grade-13

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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.

- Following are the direct material costs of a bottle of mixed fruits prepared by “Anoja” manufacturing company.

	(Rs.)
Pineapple	150.00
Apple	100.00
Grapes	200.00
Sugar	150,00

- Direct labour cost per bottle is Rs. 200.
- Following expenses are needed to be incurred in the production and distribution process.

Production overhead cost	180 000
Administration overhead cost	120 000
Distribution overhead cost	100 000

- It is estimated to price 4000 bottles. Selling price of a bottle is Rs. 1000.
- Calculate the following using above information
 - Total variable cost
 - Total fixed cost
 - Total cost
 - Cost per unit
 - Contribution per unit
 - Total profit
 - Break even number of bottles
 - Number of bottles at margin of safety
 - Value of margin of safety

