CHAPTER 4

Problem 1 - Identify cost graphs (worth 15 points - see Ex. 4-2)

Problem 2 - Complete cost schedule (worth 10 points - see Exercise 4-6)

Problem 3 - Break-even sales (worth 12 points - see Prob. 4-2A, parts 3-7)
Determine:

a) the break-even point in units of sales
b) the unit sales required to realize operating income of $xxx,xxx, and
c) the probable operating income if sales total $xxx,xxx

Problem 4 - Break-even sales (worth 8 points - see Prob. 4-2A, parts 3-4)
Determine the break-even sales (units) for:

a) the past year and
b) the coming year

Problem 5 - Margin of safety, contribution margin (worth 15 points - see Exercise 4-9 & Prob. 4-6A, parts 2,5)
Determine

a) the margin of safety expressed in dollars,
b) the margin of safety expressed as a percentage of sales,
c) the contribution margin ratio, and
d) the operating income. see Prob. 4-2A, parts 6-7
CHAPTER 5

Problem 6 - Cost of goods manufactured, using variable costing and absorption costing (worth 25 points - see Ex. 5-4)

Determine the unit cost of goods manufactured, based on

a) the variable costing concept and

b) the absorption costing concept.

Problem 7 - Change in sales mix and contribution margin (worth 25 points - see Ex. 5-11)

Calculate the increase or decrease in total contribution margin if x,xxx additional units of Product W are produced and sold.