

Management accounting techniques: Summary of corrections to course materials

These changes affect version V002 of the materials.

Course Notes & Questions

Pg 268	Chapter 10 Practice example 9 The electricity variance should be £1,500, not £700.
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Task Bank & Mocks

Pg 187

Mock 2 Task 3 – The solution to part (e) was missing:

Statement	True ✓	False ✓
At the breakeven point a business will be making a profit. At breakeven point, the business makes neither a profit nor a loss.		✓
On a breakeven graph the total revenue line meets the fixed cost line at the breakeven point. The total revenue line meets the <u>total</u> cost line at the breakeven point.		✓
Contribution is the price of the item less the variable costs.	✓	
A product with a £25 selling price and £15 contribution will breakeven at 4,000 units if fixed costs are £60,000. Breakeven point is fixed costs / contribution per unit, here £60,000 / £15 = 4,000 units.	✓	