

1.4

1.5

1.6

1.7

1.8

1.9

1.10

Another overhead is machine running costs. The estimated cost for the next quarter is £630,000, which consists of a fixed element and a variable element. The fixed element is 60% of the total cost and the rest is variable. The fixed element of the total cost is to be apportioned between the Paint Manufacture profit centre and the Canning & Packing profit centre in the ratio 56:44. The variable element of the total cost is apportioned in the ratio of 62:38.

(c) Complete the following sentences by inserting the correct values.

(2 marks)

The fixed element of the machine running costs that will be apportioned to the Paint Manufacture profit centre is:

£

The variable element of the machine running cost that will be apportioned to the Canning & Packing profit centre is:

£

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End of Task

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