**Question 39**

JMac is a firm that makes and sells hamburgers for the catering trade. The following Profit Statement relates to last month, when 30,000 hamburgers were made and sold:

**Profit Statement**

**£ £**

Sales Revenue 15,000

Less: Cost of Sales 9,000

6,000

Less: Expenses

Rent 2,000

Insurance 200

Wages 1,800

4,000

Profit 2,000

(a) Calculate how many hamburgers JMac must sell to break even. **7**

(b) Wages are expected to increase to £2,000 next month. Calculate how many  
 hamburgers JMac will have to sell to break even. **3**

**Total marks 10**

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| --- | --- | --- | --- |
| **Question** | **Expected answer(s)** | **Max mark** | **Additional guidance** |
| **39 (a)** | Selling price  £15,000 **(1)/**30,000 = £0·50  Variable cost  £9,000 **(1)/** 30,000 **(1)** = £0·30  Contribution  £0·50 − £0·30 = £0·20 **(2)**  BEP  £4,000/£0·20 = 20,000 units **(2)** | **7** | Watch for consequentiality.  Need 30,000 units both times for **1 mark.**  Award **1 mark** if arithmetic error. |
| **(b)** | New fixed costs: £4,000 + £200 = £4,200 **(2)**  New break-even point: £4,200/£0·20 = 21,000 units **(1)** | **3** | Watch for consequentiality.  Award **1 mark** if arithmetic error. |