13-3:Chapter 13:

|  |  |  |
| --- | --- | --- |
| Particulars |  Per unit differential cost | Total cost of 15000 units |
|  | Make | Buy | Make | Buy |
| Cost of buy from supplierCost of making:DM DLVMOHFMOH TraceableTotal cost of making a partsDifference in favour of making the product | 6812173 | 20 Tk | 6\*15000=900008\*15000=1200001\*15000=150002\*15000=3000025500045000 Tk | 300000 Tk300000 |

Req 2:

|  |  |  |
| --- | --- | --- |
| Particulars | Make | Buy |
| Cost of Purchasing (15000\*20)Cost of makingOpportunity cost | 25500065000 | 300000 |
|  | 320000 | 300000 |
| Difference in favour of buying the product |  20000 |

13-8:

Whether Bath department should drop or retain:

Contribution margin lost 700000 Tk

\_ Avoidable fixed cost 530000 Tk

Difference in favour of not dropping the 170000 Tk

Product

Impact on profit when Bath department will drop:

Sales 4000000-400000=3600000

VE 40% 1440000

CM 2160000

\_FE 1800000

NI 360000

\_ Common fixed cost

or allocated fixed cost 370000

for Bath department

 Net operating income for the (10000)

Overall company

\*Evaluating a special order:

|  |  |  |
| --- | --- | --- |
| Particulars | Per unit Tk | Total Tk |
| Incremental Revenue-Incremental costVariable cost:DMDLVMOHCost of Filigree | 349.951438676 | 3499.514308607060 |
| VC\_ Fixed costCost of Special toolTotal incremental costIncremental net operating income | 242 | 24204652885614.5 |

Exercise 13-6:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars |  X | Y | Z |
| Sales revenue after further processing * Sales revenue at split off point

Incremental Revenue* Incremental cost

Incremental profit | 80000500003000035000(5000) | 15000090000600004000020000 | 750006000015000120003000 |
|  |  |  |  |