

Course Book

First Edition, June 2016

| Reference | Correction |
|---|--|
| Chapter 4: Activity Answers, Activity 6 (p.68) | The underlying trend total should read 424,000 rather than 106,000 |
| Chapter 2: Activity Answers, Activity 9 (p.69) | Part c) answer should read 8.33% rather than 8.33 per kg |
| Chapter 7: Activity 5, p.188 | Actual production volumes should read 500,000 not 502,000 |
| Chapter 7: Activity Answers, Activity 5, p.205 | <p>The calculation for budgeted distribution costs per 100,000 blenders in part a) v) should read as follows: $£60,000 / 400,000 \times 100,000 = £15,000$</p> <p>The change of actual production volumes to 500,000 units also changes the answers to part b) ii), iii) and iv) which should now read as follows:</p> <ul style="list-style-type: none"> ii) Actual cost of purchases per unit: $£6,500,000 / 500,000 = £13.00$ iii) Actual variable cost of wages per unit: $£3,350,000 / 500,000 = £6.70$ iv) Actual variable cost of warehousing: $£750,000 / 500,000 = £1.50$ |
| Chapter 7: Activity Answers, Activity 6, p.207 | <p>Due to the changes in the answers to activity 5, the following comments now need to read as follows:</p> <p><i>There is an adverse variance on materials used of £475,000. This arises from an increase in actual unit costs over the budgeted price of £1.00.</i></p> <p><i>The direct labour unit rate has risen from £6.50 to £6.70 per unit.</i></p> <p><i>The favourable variance on warehousing reflects the unit cost decrease from £1.70 to £1.50</i></p> |
| Test Your Learning answers, Chapter 2, Q6, p.236 | 'Launch stage' should read 'Introduction stage' |
| Test Your Learning answers, Chapter 2, Q8, p.237 | W10 should read $7,920 \times (123.4/121.0)$ |
| Test Your Learning answers, Chapter 3, Q3, p.239 | Answer to read 'the budget accountant' |
| Test Your Learning answers, Chapter 4, Q2, p.239 | Period 3 actual production should read 4,643 to round up to the nearest whole unit |
| Test Your Learning answers, Chapter 6, Q1, p.247 | Material purchases for January should read 2,800 to align with the commentary underneath |