

# WORKBOOK

06/2020

## Chapter 4 Activity 1

The question should say 'Labour – **The hutch will take 2 hours to construct** and labour is paid at a rate of \$7 / hour.'

## Chapter 6 p87

The second paragraph should say 'Questions in Section B on this topic are likely to be a mixture of calculation and discussion. You may be required to use your knowledge of limiting factors (see later in this Workbook). You can also expect objective test questions on both the theory of constraints and throughput accounting calculations in Section A.'

## Chapter 9 p154 Illustration 1: Limiting factors

Step 2 table

'Unit production' should say 'Contribution'

## Chapter 9 p 164 illustration 5 Step 2

The cost per unit for Product B =  $(\$2.00 - \$1.70) = 0.30$  (not 0.20)

## Chapter 9 p 171-172 Activity 6

The objective function has been duplicated.

The constraints table should say:

|                  |                        |     |
|------------------|------------------------|-----|
| Labour           | $0.5a + b \leq 10,000$ | (1) |
| Material 1       | $5a + 8b \leq 8,000$   | (2) |
| Material 2       | $2a + 4b \leq 3,600$   | (3) |
| Demand product A | $a \geq 0$             | (4) |
| Demand product B | $b \leq 5,000$         | (5) |

## Chapter 9 p 172 Activity 7

The constraints table should say:

|                  |                      |     |
|------------------|----------------------|-----|
| Labour           | $5g + 8k \leq 8,000$ | (1) |
| Material         | $2g + 4k \leq 3,600$ | (2) |
| Demand product G | $g \leq 2,000$       | (3) |

### Chapter 9 p 175 Activity 9

The table should say:

|                                 | Product X | Product Y |
|---------------------------------|-----------|-----------|
| Test minutes per unit           | 18        | 4         |
| Program minutes per unit        | 36        | 14        |
| Optimum production plan (units) | 20,000    | 66,000    |

### Chapter 9 p 186 Activity 7

The table should say:

|                                 |                      |            |                      |
|---------------------------------|----------------------|------------|----------------------|
| <b>Equation 1:<br/>Labour</b>   | $5g + 8k \leq 8,000$ |            | $5g + 8k \leq 8,000$ |
| <b>Equation 2:<br/>Material</b> | $2g + 4k \leq 3,600$ | $\times 2$ | $4g + 8k \leq 7,200$ |
|                                 |                      |            | $g = 800$            |

### Chapter 11 p228 Activity 8 'Shutdown decisions'

The table should say

|                    | K           | L          | G         | Total      |
|--------------------|-------------|------------|-----------|------------|
|                    | \$'000      | \$'000     | \$'000    | \$'000     |
| Sales              | 600         | 300        | 200       | 1,100      |
| Cost of production |             |            |           |            |
| Materials          | 200         | 60         | 30        | 290        |
| Labour             | 95          | 20         | 10        | 125        |
| Variable overhead  | 75          | 10         | 5         | 90         |
| Fixed overhead     | <u>210</u>  | <u>50</u>  | <u>80</u> | <u>340</u> |
| Gross margin       | 20          | 160        | 75        | 255        |
| Selling costs      | <u>30</u>   | <u>20</u>  | 15        | <u>65</u>  |
| Net margin         | <u>(10)</u> | <u>140</u> | <u>60</u> | <u>190</u> |

### Chapter 11 p 221 Activity 6

The figure for semi-skilled manufacturing labour is missing from the list of costs. It should say **\$2,000**.

### Chapter 13 p 304 Activity 3

Final paragraph on the page has been duplicated.

### Chapter 16 p 342 and p 354

Sales mix and yield variances missing from chapter overview & summary diagram. Summary should include:

Sales mix and quantity variances

- Sales volume variance = sales mix variance + sales quantity variance
- Mix variance = financial impact of selling different proportions from standard
- Quantity variance = financial impact of a change in sales volume from standard

### Chapter 17 p369 Illustration 3

The labour rate planning variance should say 1 (F) not 1 (A)

### Chapter 21 p 470 Illustration 1

This should say:

Think of a bottle of washing up liquid for cleaning dishes. We'll call it Angeldishes. The advertising says Angeldishes is good 'value for money' because it washes twice as many plates as any other washing up liquid. Bottle for bottle it may be more expensive, but plate for plate it is cheaper. Not only this, but Angeldishes gets plates 'squeaky' clean.

Why does Angeldishes give us value for money?

The correct answer is: Angeldishes gives us VFM because it exhibits the following characteristics:

- Economy (more clean plates per \$ spent)
- Efficiency (more clean plates per squirt)
- Effectiveness (plates as clean as they should be)

### FQP Q2 p659

**The answer should say:**

An intranet

### FQP Q4 p659

**The answer should say:**

The correct answers are: **Online video clips of clothes being shared by customers and Keywords from conversations about fashion on social media.**

Although the data obtained from the other options could all be valuable to Seon Co's managers in analysing the company's performance, they are all data sets which we would expect to be available from 'traditional' database software within the company.

One of the key benefits big data can provide for a business is the insights it can give in terms of identifying trends and patterns, and gaining a deeper understanding of customer requirements.

Social media can be a key source of such data – for example, by identifying what sorts of designs customers are commenting on favourably and which are receiving less favourable feedback.