

TOTAL COSTS

Thomas Fredrick LTD produces wooden shelving units at a large factory for sale to furniture stores around the United Kingdom.



They have provided you with their costs for a typical month when they manufacture 3,000 wooden shelving units:

Factory Rent - £4,500 per month

Salaries - £2,500 per month

Wood - £15 per shelving unit

Components (nails, screws etc.) - £5 per shelving unit

Insurance - £150 per month

Packaging - £2 per shelving unit

1. Calculate Thomas Fredrick LTD's **fixed costs** per month.
2. Calculate Thomas Fredrick LTD's **variable cost per wooden shelving unit** they manufacture.
3. Calculate Thomas Fredrick LTD's **total monthly costs** when manufacturing 3,000 wooden shelving units.
4. Calculate Thomas Fredrick LTD's **total monthly costs** when manufacturing 6,000 wooden shelving units.
5. Calculate Thomas Fredrick LTD's **total yearly costs** when manufacturing 4,000 wooden shelving units per month.