Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**1. What calculations? 1 Mark: /14**

1. Medway Ltd wants to invest £1.2m in new machinery. Installation will cost £220 000 plus £65 000 in training. What will be the total cost of implementing the new machinery? /3 marks

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1. The new machinery will allow the business to produce 300 000 units a week. The new total cost of production will be £660 000 per week. What is the average cost per unit?

/3 marks

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1. Medway Ltd sell each unit for £5.00. It sells 12 million units per annum. What is the total sales revenue per annum? /2 marks

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1. In January Medway Ltd decides to offer a 12% discount. What is the selling price in January? /3 marks

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1. Medway Ltd buys one of the raw materials from Rochester Supplies (RS). RS currently charges Medway Ltd 80p per unit. Due to an increase in the minimum wage they decide to increase prices by 5%. What is the new cost to Medway Ltd? /3 marks

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To what extent is it crucial for business managers to be numerate?