

Q1

HHH was formed at the beginning of 20X1. The company carried out trend analysis and used the resulting formula to predict sales for the 20X3 budget. It now appears that the data used for the trend analysis may have had some problems with it. The following figures were used in the analysis:

Year and Quarter number	Sales
20X1 Q1	10,000
20X1 Q2	15,000
20X1 Q3	8,000
20X1 Q4	11,000
20X2 Q1	45,000
20X2 Q2	14,000
20X2 Q3	9,500
20X2 Q4	12,000

Which of the figures used in the analysis is the data outlier and what is its impact on the budget figures?

- The data outlier is 8,000 and will result in the budget figures being too low.
- The data outlier is 8,000 and will result in the budget figures being too high.
- The data outlier is 45,000 and will result in the budget figures being too low.
- The data outlier is 45,000 and will result in the budget figures being too high.

Q2

From the following, which option would NOT be relevant in a decision about whether to close a division of an organisation?

- Head office overheads absorbed based on a percentage of sales revenue
- The proceeds from sale of unwanted non-current assets
- Redundancy pay for employees of the division
- Fixed costs directly attributable to the division

Q3

Each finished unit of Product G contains 2 litres of Ingredient L. Losses during production are 10% of input of Ingredient L. Budgeted data for the next period are as follows:

Finished output of Product G	2,745 units
Opening inventory of Ingredient L	680 litres
Closing inventory of Ingredient L	450 litres

The material purchases budget for Ingredient L (in litres) for the next period is:

- 5,870 litres
- 6,330 litres
- 5,809 litres
- 5,260 litres