

	Scenario 1	Scenario 2
	£	£
Sales	150,000	150,000
Factory cost of production	60,000	120,000
Opening Stock	-	-
	<hr/> 60,000	<hr/> 120,000
Closing stock	10,000	20,000
Factory Cost of Sales	<hr/> 50,000	<hr/> 100,000
Gross Profit	100,000	50,000
Factory Overhead	60,000	
Sales & Dist. Overhead	10,000	10,000
Administration Overhead	8,000	8,000
Net Profit	<hr/> 22,000	<hr/> 32,000