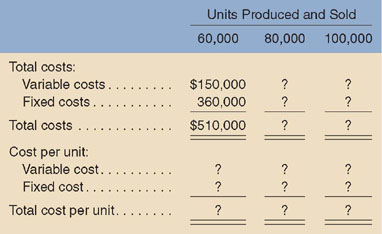
**EXERCISE 5–6 Cost Behavior; Contribution Format Income Statement**

Parker Company manufactures and sells a single product. A partially completed schedule of the company's total and per unit costs over a relevant range of 60,000 to 100,000 units produced and sold each year is given below:

[[http://highered.mcgraw-hill.com/olcweb/styles/shared/linkicons/image.gif](http://highered.mcgraw-hill.com/sites/0073526703/student_view0/ebook/chapter5/chend10/exercises.htm)(K)](http://highered.mcgraw-hill.com/sites/0073526703/student_view0/ebook/chapter5/chend10/exercises.htm)

*Required:*

1. Complete the schedule of the company's total and unit costs above.
2. Assume that the company produces and sells 90,000 units during the year at the selling price of $7.50 per unit. Prepare a contribution format income statement for the year.