Number of units 230,000 250,000 20,000

Sales revenue $4,600,000 $5,037,500 $437,500 F

Variable manufacturing costs

Materials (759,000) (835,000) 76,000 U

Labor (391,000) (420,000) 29,000 U

Overhead (414,000) (442,500) 28,500 U

Variable general, selling,

and admin. Costs (552,000) (612,500) 60,500 U

Contribution margin 2,484,000 2,727,500 243,500 F

Fixed costs

Manufacturing overhead (1,570,000) (1,585,700) 15,700 U

General, sellings, and admin cost (575,000) (563,500) 11,500 F

Net income $ 339,000 $ 578,300 $239,300 F