



**Correct Answer =** 50 x £2 = £100 **(2 marks)** – £ must be there for 2 marks.

**Other answers for 1 mark:**

• showing formula of Price x Quantity = Revenue

• showing understanding of formula, eg 50 x £2, £1.50 x 50 – on their own without total calculation.

• 100.





**Method 1**

Income: 5,000 x £4 = £20,000 **(1)**

Distribution 50 x £50 = £2,500 **(1)** Costs: Making 5,000 x £2 = £10,000 **(1) OR** £12,500 **(2)**

Profit: £20,000 – £12,500 = £7,500 (4) or 7,500 (3) **OR**

Profit: £20,000 – (£2,500 + £10,000) = £7,500 (4) or 7,500 (3)

**Method 2**

Income: 5,000 X £4 = £20,000 **(1)**

Contribution: (£ 2 + £0.50) **(1)** X 5,000 = 12,500 **(1)**

Profit: £20,000-£12,500 = £7,500 **(4)** or 7,500 **(3)**

**Example of OFR**

If a candidate uses the correct method and makes an error in calculation apply the OFR

Distribution Costs = 50 x 50 = 250 Therefore Profit £10,000- £250 = £9750 **(3)**

Maximum 3 marks if no £ sign