A Quad Bike Manufacturer produces 3 types of vehicle, X, Y and Z. It has been calculated that the costs of these three products will be:

|  |  |  |  |
| --- | --- | --- | --- |
| **Costs** | **X** | **Y** | **Z** |
| Variable Material Costs ($m) | 5 | 10 | 8 |
| Variable Labour Costs ($m) | 10 | 14 | 6 |
| Allocated Fixed Costs ($m) | 9 | 12 | 6 |
| Annual Output of Vehicles | 4000 | 12000 | 5000 |

* The total variable cost of manufacturing model X is $15 million
* Total cost of manufacturing model X is $15 million + $9 million = $24 million
* The average cost per unit of X = $24 million

----------------- = $6000 per vehicle

4000 Units

1. Calculate the total variable cost of manufacturing vehicle models Y and Z.
2. Calculate the total cost of manufacturing vehicle models Y and Z.
3. Calculate the average cost of manufacturing vehicle models Y and Z.
4. Identify and explain **two** possible users of these results to managers of the bike manufacturer.