Total contribution = Contribution per unit * Units produced

Total contribution = Total revenue – Total variable costs

Contribution per unit = Selling price per unit – Variable costs per unit

Variance = difference between actual and budgeted figure

Favourable Variance = Profits higher than forecast = Costs lower than forecast

Adverse Variance = Profits lower than forecast = Costs higher than forecast

Profit for the year = Operating profit + Profit from other activities – Net finance costs – Tax

Profit from operations = Operating profit = Gross profit – Indirect costs

= Gross profit – Fixed costs

= Revenue – Variable costs – Fixed costs

Gross profit = Revenue – Direct costs

= Revenue – Cost of sales

= Revenue – Variable costs

Return on Investment (ROI) = \( \frac{\text{Return on investment}}{\text{Cost of investment}} \) * 100 (%)

Capacity Utilisation = \( \frac{\text{Actual output in given time period}}{\text{Maximum possible output in given time period}} \) * 100 (%)

Average costs = \( \frac{\text{Total costs of production}}{\text{Number of units of output produced}} \) (Also known as unit costs)

Labour productivity = \( \frac{\text{Output per time period}}{\text{Number of employees}} \)