

Ch 4 Freeman Biotest Case question

1. Simple Economic analysis

How many units are they selling?

At current sales volume, which machine would lead to lower cost?

If sales volume grows by 20%, would this change your answer?

If sales volume drops by 20%, would this change your answer?

If price drops by 5%, would this change your answer?

2. You would probably want more information to make this decision.

Come up the questions YOU would ask if you were making the decision, based on your understanding of the case information and whatever else you can guess based on your understanding of manufacturing and business in general. Connect to concepts in the text clearly and concisely if relevant.