

29 The following data applies to a business.

budgeted labour hours	10 000
actual labour hours	9 500
budgeted overheads	\$150 000
actual overheads	\$160 000

What is the amount of overhead under-absorbed?

- A** \$7500 **B** \$8000 **C** \$10 000 **D** \$17 500

30 A company manufactures one product. Variable costs are \$600 000. Fixed costs are \$300 000.

If it bought the product from another supplier, it could use existing machinery to make a total contribution of \$400 000. Fixed costs would not change.

What is the maximum price it should pay to obtain the product from another supplier?

- A** \$600 000 **B** \$700 000 **C** \$900 000 **D** \$1 000 000