

- 28** A DVD has a selling price of \$10.

cost per DVD	\$
direct materials	1.20
direct labour	0.80
factory overhead (fixed)	1.50
royalty payment	1.00
administration overhead (fixed)	0.60

What is the contribution per DVD?

- A** \$4.90 **B** \$5.90 **C** \$7.00 **D** \$8.00
- 29** A business has the following budgeted and actual results for a period.

	\$
budgeted fixed overheads	354 000
actual fixed overheads	360 000
under absorption of overheads	3 000

The fixed overheads are absorbed per unit.

The budgeted number of units was 118 000.

What is the actual level of activity in units?

- A** 118 000 **B** 119 000 **C** 120 000 **D** 121 000
- 30** A business purchases a machine for \$3200. It is estimated that it will have a useful life of 5 years and a residual value of \$700. Straight line depreciation is charged each year.

What is the net book value at the end of year 2?

- A** \$1920 **B** \$2200 **C** \$2560 **D** \$2700