23 A business commenced trading on 1 January. The purchases and sales of inventory for January were as follows:

date	purchases	sales
January 4	3 at $200 each	–
13	–	2 at $400 each
26	3 at $250 each	–
28	–	2 at $400 each

The business used the first in first out (FIFO) method of inventory valuation.

What was the gross profit for January?

A $250 **B** $650 **C** $700 **D** $750

24 A company has been asked to quote a price for a specific job. Estimated costs are as follows:

	$
direct materials	2000
direct labour	3300

Overheads are charged at 50% of labour cost.

Profit is 20% of the total job cost.

What is the total of the quotation for the job?

A $5300 **B** $6360 **C** $6950 **D** $8340

25 A manufacturing business has a service department, X, and production departments, Y and Z.

Department Z is labour intensive.

How is the overhead absorption rate set for department Z?

	first task	second task	third task
A	apportion total overheads across X, Y and Z	reapportion X's overheads to Y and Z	divide Z's overheads by budgeted labour hours
B	apportion total overheads across X, Y and Z	reapportion X's overheads to Y and Z	divide Z's overheads by actual labour hours
C	subtract X's overheads from total overheads	apportion remaining overheads across Y and Z	divide Z's overheads by budgeted labour hours
D	subtract X's overheads from total overheads	apportion remaining overheads across Y and Z	divide Z's overheads by actual labour hours