

- 24** The following inventory transactions are available for a business.

opening inventory on 1 January	16 items at \$525 each
receipts on 3 January	24 items at \$675 each
issues on 5 January	28 items

The business uses the AVCO method to value inventory.

What was the value of closing inventory on 7 January?

- A** \$6300      **B** \$7200      **C** \$7380      **D** \$8100
- 25** A business entered into a contract for the support of its computer systems. There was an annual fee of \$5000 plus a charge of \$30 per hour for solving computer problems. At the end of the year the cost of computer support totalled \$11 330.

Which type of cost was this?

- A** fixed  
**B** semi-variable  
**C** stepped  
**D** variable
- 26** A business absorbs overheads on the basis of direct labour hours. The following information is available.

budgeted labour hours	6600 hours
actual labour hours	7100 hours
budgeted overheads	\$75 900
actual overheads	\$74 250

What is the value of overheads over or under absorbed?

- A** \$5625 over  
**B** \$5625 under  
**C** \$7400 over  
**D** \$7400 under