

- 27 A company has the following record of the costs of water consumed in its factory.

period	units produced	water cost \$
1	222 000	166 600
2	173 000	151 900

Water costs are treated as a semi-variable cost.

What would the cost of water be at an output of 185 000 units?

- A** \$138 833      **B** \$149 171      **C** \$155 500      **D** \$162 436

- 28 How is margin of safety calculated?

- A** actual total contribution – break-even contribution  
**B** actual total contribution – budgeted total contribution  
**C** budgeted total sales units – actual total sales units  
**D** budgeted total sales units – break-even sales units

- 29 A business has fixed costs for a month of \$150 000. It sells its single product for \$20 per unit and has a contribution to sales ratio of 75%. It wishes to make a profit of \$300 000 for the month.

How many units does the business need to sell?

- A** 10 000      **B** 20 000      **C** 22 500      **D** 30 000

- 30 The following information is available for a product.

The budgeted selling price per unit is \$250.

Break-even quantity is 800 units.

Contribution to sales ratio is 60%.

What are the values for **both** fixed and variable costs?

	total fixed costs \$	variable costs per unit \$