

**27** A business has the following budget for April.

	\$
sales revenue	1 000 000
contribution	550 000
fixed production costs	275 000
fixed selling costs	55 000

What is the break-even sales revenue for April?

- A** \$450 000      **B** \$500 000      **C** \$600 000      **D** \$670 000

**28** Which costing method is best suited to valuing inventory and which for deciding whether to accept an order below normal selling price?

	valuation of inventory	decision on accepting order below normal selling price
<b>A</b>	absorption costing	absorption costing
<b>B</b>	absorption costing	marginal costing
<b>C</b>	marginal costing	absorption costing
<b>D</b>	marginal costing	marginal costing

**29** The following information is forecast for May.

	units
opening inventory	25 200
closing inventory	28 200
	\$
marginal cost profit	100 800
absorption cost profit	120 300

What is the overhead absorption rate?

- A** \$3.57      **B** \$4.27      **C** \$4.77      **D** \$6.50