

**23** The gross profit ratio of a business has increased.

Which statement is correct?

- A** Inventories have decreased.
- B** Purchases have been obtained at reduced cost.
- C** Sales have increased.
- D** Sales returns have decreased.

**24** Which cost is less than budgeted, when actual production is higher than budgeted?

- A** fixed cost per unit
- B** total fixed cost
- C** total variable cost
- D** variable cost per unit

**25** The following information is available about a customer order.

	\$
direct material cost	75.00
direct labour cost	42.00
cost per labour hour	7.00
fixed overhead absorption rate per direct labour hour	6.50

The order has a mark-up calculated at 20% of total cost.

What is the selling price?

- A** \$117.00      **B** \$140.40      **C** \$156.00      **D** \$187.20

**26** What can be used to apportion production overheads to cost centres?

- A** cost of machinery
- B** direct labour hours
- C** indirect material cost
- D** sales department labour hours