

27 The following information is available in respect of department 1.

	actual	forecast
direct labour hours	45 000	40 000
machine hours	12 000	10 000
overheads to be apportioned to department 1		\$90 000

The company has been asked to quote for an order. The expected time taken in department 1 will be four direct labour hours and seven machine hours.

How much overhead should be charged to the order as it passes through department 1?

- A \$8.00                      B \$9.00                      C \$52.50                      D \$63.00

28 A business manufactures a single product. The following information is available.

	this year \$	estimated next year \$
selling price per unit	25	25
variable cost per unit	15	17
total fixed costs	80 000	84 000
profit for the year	20 000	

How many units must be sold to achieve the same profit next year?

- A 10 000                      B 10 500                      C 12 500                      D 13 000

29 A company wants to sell 50 000 units and achieve a profit of \$600 000. It has variable costs of \$60 per unit and total fixed overheads of \$400 000.

What is the selling price per unit it needs to charge?

- A \$64                      B \$68                      C \$72                      D \$80

30 A business manufactures several products. There is a shortage of direct materials.

Which product will it manufacture first?

- A the one with the highest contribution per unit of limiting factor  
B the one with the highest demand  
C the one with the lowest quantity of total direct materials used