

**26** The budgeted income statement of J Limited shows the following.

	\$
sales	400 000
variable costs	240 000
fixed costs	132 000
profit for the year	28 000

What is the margin of safety in dollars?

- A** \$70 000      **B** \$160 000      **C** \$268 000      **D** \$330 000

**27** The following details are supplied by a company for the month of August.

budgeted machine hours	36 000
budgeted overheads	\$162 000
actual machine hours	36 500
actual overheads	\$155 000

What is the under or over absorption of the overheads?

- A** \$2250 over absorbed  
**B** \$2250 under absorbed  
**C** \$9250 over absorbed  
**D** \$9250 under absorbed

**28** A company has fixed costs of \$40 000 per month. It provided the following information.

	March units	April units
production	30 000	15 000

Total production costs for March were \$90 000.

What were the total production costs for April?

- A** \$45 000      **B** \$65 000      **C** \$70 000      **D** \$110 000