

**24** Actual output for a business is higher than budgeted output.

Which costs will still be the same as budgeted?

- 1 fixed cost per unit
- 2 total fixed cost
- 3 total variable cost
- 4 variable cost per unit

**A** 1 and 2      **B** 2 and 3      **C** 2 and 4      **D** 3 and 4

**25** A business has an activity level below budget and fixed overhead expenditure below budget.

Do these result in an under absorption of fixed overhead?

	activity below budget	expenditure below budget
<b>A</b>	no	no
<b>B</b>	no	yes
<b>C</b>	yes	no
<b>D</b>	yes	yes

**26** A trader decides to manufacture a product rather than buy it from a supplier.

Which statement about the buying-in price is correct?

- A** It is more than fixed cost of producing the product
- B** It is more than semi-variable cost of making the product
- C** It is more than total cost of making the product
- D** It is more than variable cost of producing the product

**27** A company has been asked to quote a price for a specific job. Estimated costs are as follows.

	\$
direct materials	2000
direct labour	3300

Overheads are charged at 50% of labour cost.

Profit is 20% of the total job cost.

What is the total of the quotation for the job?

**A** \$5300      **B** \$6360      **C** \$6950      **D** \$8340