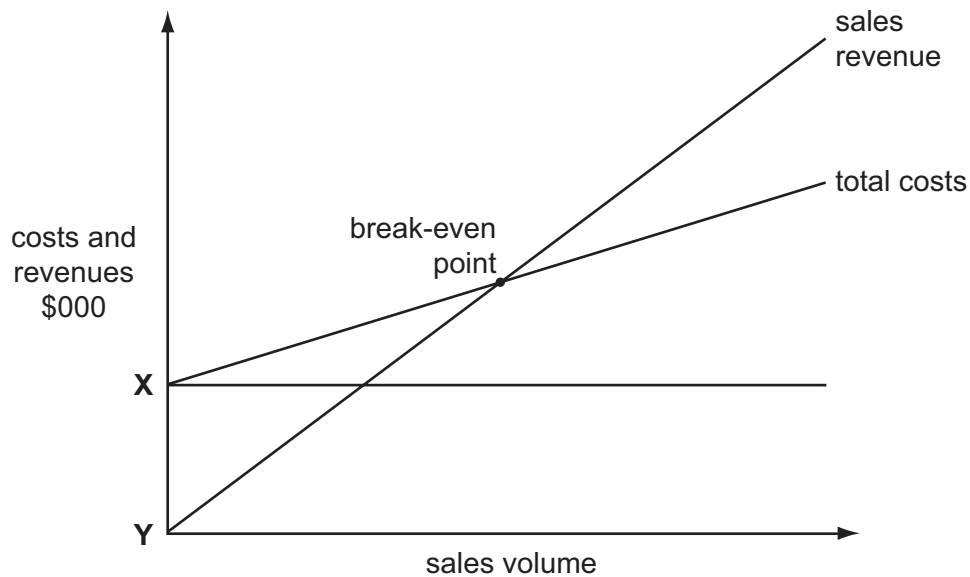


25 The break-even chart for a product is shown.



What does **XY** represent?

- A** fixed costs
- B** gross profit
- C** net loss
- D** variable costs

26 What will cause under-absorption of fixed production overheads?

- A** absorption of overheads is based on actual expenditure and actual activity
- B** actual expenditure of overheads is below budget expenditure
- C** actual activity is above budgeted activity
- D** actual activity is below budgeted activity and actual expenditure is as budgeted

27 The cost of producing 2000 units of a product is shown.

	\$
insurance	2 000
labour	30 000
materials	10 000
rent	6 000
telephone rental	4 000

What is the variable cost of one unit?

- A** \$20
- B** \$22
- C** \$23
- D** \$24