

- 26 A company makes two products.

	product	
	X	Y
selling price	\$10	\$12
variable costs per unit	\$4	\$8
maximum sales (units)	4000	14 000

Total fixed costs are \$44 700.

4000 units of X are sold.

How many units of Y must be sold to break even?

- A** 3450                      **B** 3725                      **C** 5175                      **D** 11 175

- 27 A company has fixed costs of \$30 000. It sells 10 000 units of a single product for \$20 per unit and has a contribution to sales ratio of 75%.

What is the increase in profit if total sales are 15 000 units?

- A** \$45 000                      **B** \$75 000                      **C** \$195 000                      **D** \$225 000

- 28 A company's budget shows figures for costs and sales for the month ended 31 March 2019.

variable costs per unit	\$20
selling price per unit	\$35
volume sold	2000 units
fixed costs	\$10 000

In March the actual sales volume was 10% lower than budgeted.

By how much was actual profit lower than budgeted profit?

- A** \$2000                      **B** \$3000                      **C** \$5700                      **D** \$7000

- 29 A business changed from using absorption costing to marginal costing. This had no effect on profit for the month.

What had happened in the month?

- A** Production was stopped during the period.  
**B** Units produced and sold were equal.  
**C** Units produced were greater than units sold.  
**D** Units produced were less than units sold.