

25 The following information relates to one accounting period.

opening inventory	40 000 units
closing inventory	44 000 units
absorption cost profit	\$284 000
marginal cost profit	\$250 000

What was the overhead absorption rate per unit during the accounting period?

- A** \$6.25 **B** \$6.45 **C** \$7.10 **D** \$8.50

26 The selling price of a product remains constant.

In which circumstances will the break-even point in units decrease?

- 1 increase in labour costs per unit
- 2 decrease in material costs per unit
- 3 decrease in variable costs per unit
- 4 increase in total fixed costs

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

27 A company makes and sells a single product type.

The product is sold for \$50 per unit and variable costs are \$30 per unit.

Total fixed costs are \$500 000.

How many units of the product does the company need to sell to make a profit of \$300 000?

- A** 6400 **B** 15 000 **C** 25 000 **D** 40 000