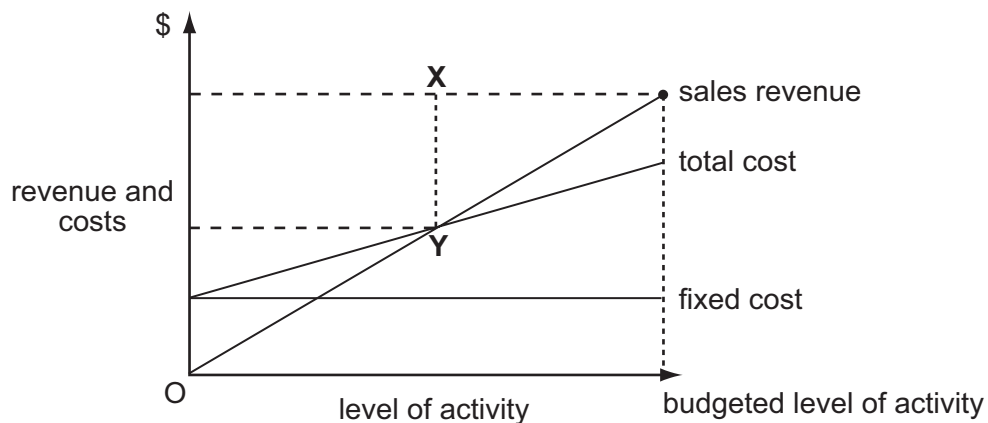


26 The diagram shows a break-even chart.



What does line **XY** represent?

- A** the break-even point revenue
- B** the margin of safety in terms of revenue
- C** the profit at break-even point
- D** the total contribution at break-even point

27 Production overhead expenditure in a period totalled \$102 660 compared with a budget of \$105 270.

Direct labour hours are used to absorb production overheads. 8700 direct labour hours were worked in the period and production overhead was over-absorbed by \$1740.

What was the production overhead absorption rate per direct labour hour?

- A** \$11.60
- B** \$11.80
- C** \$12.00
- D** \$12.10

28 A company sells two products, X and Y.

	X	Y
sales (units)	1000	2000
	\$	\$
selling price/unit	22	12
contribution/unit	12	4

Which would increase the company's profit by \$10 000?

- A** a 30 % increase in the sales of X
- B** a 50 % increase in the sales of both products
- C** an increase in the selling price of X by \$1 and Y by \$6
- D** a reduction in the variable costs of both products by \$5