

26 The following information is available.

| | \$ |
|--------------------|---------|
| direct materials | 20 000 |
| direct labour | 45 000 |
| direct expenses | 6 000 |
| variable overheads | 11 000 |
| fixed overheads | 38 000 |
| sales | 240 000 |

What is the contribution to sales ratio?

- A** 50% **B** 54.58% **C** 65.83% **D** 70.42%

27 A company provides the following information.

| | |
|-----------------------|-----------|
| budgeted overheads | \$136 000 |
| budgeted labour hours | 10 568 |
| actual overheads | \$146 000 |
| actual labour hours | 10 110 |

What is the overhead absorption rate per labour hour?

- A** \$12.87 **B** \$13.45 **C** \$13.82 **D** \$14.44

28 The following information is for a business.

| | \$ |
|--------------------------------|------|
| budgeted fixed costs per month | 2000 |
| target profit per month | 3000 |
| budget variable cost per unit | 15 |
| selling price per unit | 40 |

Fixed costs are expected to increase by \$500 per month and variable costs increase by \$5 per unit.

Which value of revenue will be required to achieve the target profit?

- A** \$8000 **B** \$8800 **C** \$10 000 **D** \$11 000