26 The following budgeted information is available for a business.

	$
revenue	650 000
variable costs	390 000
fixed non-production cost	150 000
fixed selling and distribution costs	90 000

What is its budgeted break-even sales revenue?

A $250 000 **B** $375 000 **C** $400 000 **D** $600 000

27 Which statements relating to marginal costing are correct?

1 Fixed production costs are included in inventory valuations.

2 Fixed production costs are fully written off as an expense.

3 Variable production costs are included in inventory valuations.

4 Variable production costs are fully written off as an expense.

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

28 A business makes and sells four products **A**, **B**, **C** and **D**.

Which product should be produced first when labour hours are **not** sufficient to produce all four products?

	selling price $	variable costs $	labour hours $
A	10	15	1
B	35	10	5
C	50	30	2
D	75	57	3

29 When does cost–volume–profit analysis inform users about cost behaviour?

A when different time periods are involved and when absorption costing is used

B when different time periods are involved and when marginal costing is used

C when the level of output changes and when absorption costing is used

D when the level of output changes and when marginal costing is used