

**23** A business values its inventory using the FIFO method. The following transactions took place.

month		units
April	opening inventory	700 at \$190 each
May	purchases	500 at \$220 each
June	sales	400 at \$400 each

What was the value of the closing inventory at the end of June?

- A** \$152 000      **B** \$162 000      **C** \$167 000      **D** \$176 000

**24** The unit cost of a product is as follows.

	\$
direct materials	30
direct labour	25
variable manufacturing overhead	20
fixed manufacturing overhead	18
sales commission (1.5% of sales)	4
administrative staff salaries	15
	112

What is the total variable cost per unit of the product?

- A** \$75      **B** \$79      **C** \$94      **D** \$97

**25** A business absorbs overheads based on machine hours.

During last month it had the following results.

actual overheads	\$158 200
actual machine hours	7310
budgeted overheads	\$168 200
budgeted machine hours	8410

Which statement is correct?

- A** Overheads were over-absorbed by \$10 000.  
**B** Overheads were over-absorbed by \$12 000.  
**C** Overheads were under-absorbed by \$10 000.  
**D** Overheads were under-absorbed by \$12 000.