

**25** A business absorbs its overheads on the basis of machine hours.

The following information is provided.

	actual	budgeted
overheads	\$564 000	\$560 000
machine hours	6700	7000

By how much are overheads under or over-absorbed?

- A** over-absorbed by \$4000
- B** under-absorbed by \$4000
- C** over-absorbed by \$28 000
- D** under-absorbed by \$28 000

**26** Which situation is **not** usually suitable for the use of marginal costing?

- A** negotiating a regular selling price with a customer
- B** quoting a selling price for a special order
- C** when there is a shortage of direct material for the next month
- D** whether to make or buy-in a product

**27** The following budgeted information is available for 10 000 units.

	per unit \$
selling price	53
direct materials and wages	22
variable manufacturing overhead	2
fixed manufacturing overhead	21
variable selling expenses	1
fixed selling expenses	5

What is the budgeted break-even point in units?

- A** 7242
- B** 7500
- C** 8966
- D** 9286