

- 26 Which name is given to the difference between a company's actual sales and break-even sales?
- A margin of safety
 - B marginal cost
 - C marginal C-V-P (cost-volume-profit) analysis
 - D marginal revenue

- 27 What best describes cost of direct materials plus direct labour costs?
- A absorption cost
 - B marginal cost
 - C prime cost
 - D total cost

- 28 A company has the information shown below.

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actual sales for August	320 000
break-even sales for August	400 000
total fixed costs for August	150 000

What is the margin of safety for August?

- A \$80 000 negative
 - B \$80 000 positive
 - C \$170 000 negative
 - D \$250 000 positive
- 29 A business has fixed costs of \$100 000. It sells a single product for \$25 per unit, and its contribution to sales ratio is 40 %.
- What is the break-even point in units?
- A 6667
 - B 10 000
 - C 40 000
 - D 250 000