

**25** A company sells a single product for \$24 per batch.

The variable cost is \$8 per batch.

Fixed costs have been absorbed based on a normal activity level of 1000 batches at \$6 per batch.

What is the profit under marginal costing if the company makes and sells 1250 batches?

- A** \$10 000      **B** \$12 500      **C** \$14 000      **D** \$20 000

**26** The following information is forecast for next period.

opening inventory	20 300 units
closing inventory	22 500 units
marginal cost profit	\$90 600
absorption cost profit	\$100 400

What is the overhead absorption rate per unit?

- A** \$4.03      **B** \$4.45      **C** \$4.46      **D** \$4.95

**27** A business is considering disposing of a non-current asset.

Which type of cost is the asset's book value?

- A** fixed  
**B** semi-variable  
**C** stepped  
**D** sunk

**28** A company has total fixed costs of \$100 000 and a break-even point of 4000 units. Variable costs per unit are \$40. It produced and sold 10 000 units.

How much is revenue per unit?

- A** \$25      **B** \$35      **C** \$65      **D** \$75