

**26** A company makes and sells one product incurring the following costs.

12 kilos of material at \$3 per kilo

4.5 labour hours at \$12 per hour

production overheads \$6 per unit

selling overheads \$5 per unit

What is the total direct cost per unit?

- A** \$36                      **B** \$42                      **C** \$90                      **D** \$101

**27** A company receives an order for 10 000 units.

The following information is available.

units produced per machine hour	500
labour costs per machine hour	\$25
raw material cost per unit	\$2
overheads recovered per machine hour	\$40

What is the cost of production?

- A** \$11 300                      **B** \$21 300                      **C** \$33 500                      **D** \$52 500

**28** The costs of a company that annually sells 10 000 units are as follows.

	\$
direct material	50 000
assembly labour	100 000
factory overheads	70 000

The normal selling price of each unit is \$50.

If it was reduced to \$35, how many more units need to be sold to break-even?

- A** 1500 units                      **B** 2000 units                      **C** 3500 units                      **D** 5000 units