

- 27** A business absorbs overheads at a rate of \$10.50 per labour hour. The following information is available.

budgeted overheads	\$68 250
actual overheads	\$66 175
actual labour hours	5976

What is the value of under or over absorbed overheads?

- A** \$2075 over
 - B** \$2075 under
 - C** \$3427 over
 - D** \$3427 under
- 28** A company uses a direct labour rate of \$5.40 per hour to absorb production overhead. Each unit of product manufactured requires four direct labour hours.

The following information is available for a period.

	\$
actual production overhead	518 400
under absorbed production overhead	32 400

What was the actual output of the product in the period?

- A** 22 500 units
 - B** 24 000 units
 - C** 25 500 units
 - D** 90 000 units
- 29** A company sells a product for \$12 per batch.

The variable cost is \$4 per batch.

Fixed costs are absorbed based on a normal activity level of 100 batches at \$3 per batch.

What is the profit under marginal costing if the company makes and sells 125 batches?

- A** \$500
- B** \$625
- C** \$700
- D** \$1000