

**29** A business produces a single product.

	number of units
opening inventory	5 000
production	15 000
closing inventory	2 000

The variable production cost per unit is \$10 and the fixed production cost is \$60 000. The sales revenue is \$360 000.

Profit is \$108 000 based on full absorption costing.

What is the profit based on marginal costing?

- A** \$8000 higher
- B** \$8000 lower
- C** \$12 000 higher
- D** \$12 000 lower

**30** A business provides the following information for a cost centre.

apportioned overhead costs	\$160 000
re-apportioned service department costs	\$60 000
total labour hours	25 000
total machine hours	40 000

What is the overhead absorption rate for the cost centre?

- A** \$4.00 per hour
- B** \$5.50 per hour
- C** \$6.40 per hour
- D** \$8.80 per hour