

- 25** Which values per unit are **not** sufficient to enable the calculation of the contribution to sales ratio?
- A** contribution, fixed cost
  - B** selling price, fixed cost, profit
  - C** selling price, variable cost
  - D** variable cost, fixed cost, profit
- 26** Which statement concerning the break-even point is correct?
- A** At the break-even point a company makes a profit.
  - B** Contribution equals fixed costs at the break-even point.
  - C** Fixed costs are equal to sales revenue at the break-even point.
  - D** Variable costs equal fixed costs at the break-even point.
- 27** Which assumptions about cost–volume–profit analysis are correct?
- 1 Many different factors cause costs and revenues to change.
  - 2 Selling price and variable cost per unit are usually constant.
  - 3 Selling price and variable cost per unit change.
  - 4 The only factor causing costs and revenues to change is volume.
- A** 1 and 2      **B** 1 and 3      **C** 2 and 4      **D** 3 and 4

- 28** For the month of April a business manufactured 4000 units and sold 3600 units.

The following total costs have been incurred.

	\$
direct materials	80 000
direct labour	120 000
variable production overheads	36 000
variable selling commission	18 000
fixed production overheads	144 000

There was no opening inventory.

The business values inventory using marginal costing.

What is the value of the closing inventory?

- A** \$20 000      **B** \$23 600      **C** \$25 400      **D** \$39 800