

- 29** Last year a company sold 2000 units and made a contribution of \$50 per unit. Profit, after deducting total fixed costs, was \$60 000.

This year:

sales volume increased by 10%

contribution per unit decreased by 5%

total fixed costs increased by 25%.

What was the company's profit this year?

- A** \$45 000 **B** \$54 500 **C** \$60 000 **D** \$64 500

- 30** Why do businesses prepare budgets?

- 1 to communicate plans
- 2 to control activities
- 3 to improve co-ordination
- 4 to prepare their annual financial statements

- A** 1, 2 and 3 **B** 1, 2 and 4 **C** 1, 3 and 4 **D** 2, 3 and 4