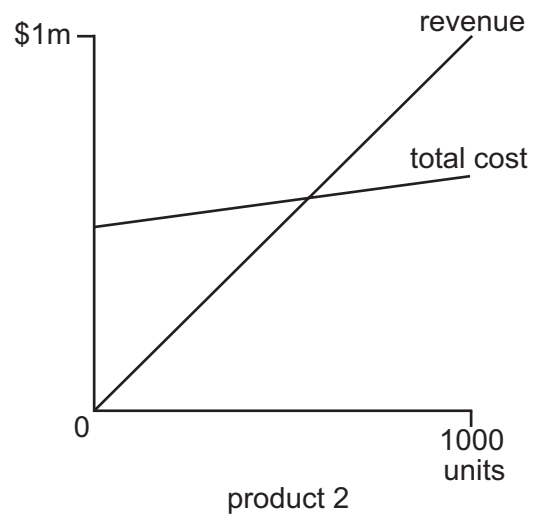
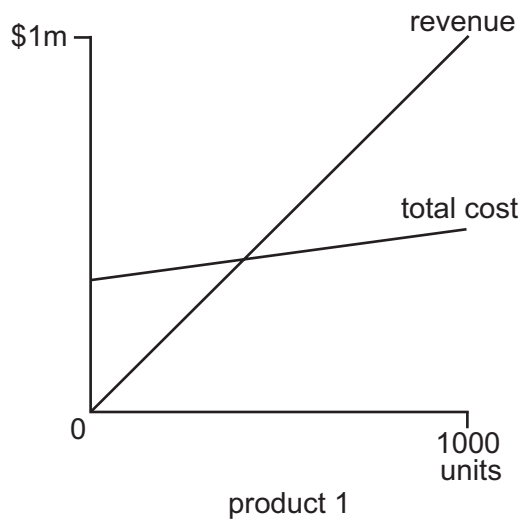


- 27** What do the break-even charts show regarding the profitability of and risk attaching to products 1 and 2?



	profitability	risk
<b>A</b>	1 is greater	1 is greater
<b>B</b>	1 is greater	1 is less
<b>C</b>	2 is greater	2 is greater
<b>D</b>	2 is greater	2 is less

- 28** The following data is relevant to a business.

budgeted labour hours	10 000
budgeted overheads	\$150 000
actual labour hours	9 500
actual overheads	\$160 000

What is the amount of overhead under-absorbed?

- A** \$7500      **B** \$8000      **C** \$10 000      **D** \$17 500

- 29** A company has a product which sells for \$1 per unit. The variable costs are \$0.60 per unit, and production of 200 000 units is planned.

Fixed costs are \$0.20 per unit at the budgeted production level.

What is the break-even level?

- A** 40 000 units      **B** 66 667 units      **C** 100 000 units      **D** 160 000 units