

**26** The data given relates to a small business.

	\$	\$
sales		6 000
variable costs	4 500	
fixed costs	<u>900</u>	<u>5 400</u>
profit		<u>600</u>

What is the contribution to the sales ratio?

- A** 10%                      **B** 25%                      **C** 75%                      **D** 90%

**27** What is the reason for overhead absorption in a manufacturing business?

- A** to enable overheads to be apportioned to cost centres  
**B** to control overhead expenditure  
**C** to establish costs per unit of product  
**D** to establish the net realisable value of stock

**28** 'Contribution' is an important feature of marginal costing.

How can the total contribution from a given activity be calculated?

- A** total assets plus total fixed costs  
**B** total sales minus total profit  
**C** total fixed costs plus total profit  
**D** total direct costs minus total profit