

**27** A company has a positive margin of safety.

How did this arise?

- A** Actual sales are greater than break-even sales.
- B** Actual sales are greater than budgeted sales.
- C** Break-even sales are greater than actual sales.
- D** Budgeted sales are greater than actual sales.

**28** A company makes three products X, Y and Z for which details **per unit** are as follows:

	X	Y	Z
selling price	\$18	\$35	\$50
direct material costs	\$4	\$5	\$5
direct labour hours	0.5	2	2.5

The direct labour rate is \$8.00 per hour. Direct labour hours are limited.

In which order should the products be ranked to achieve the maximum profit with the available labour hours?

	first	next	last
<b>A</b>	X	Y	Z
<b>B</b>	Y	Z	X
<b>C</b>	Z	X	Y
<b>D</b>	X	Z	Y