

21 The following information was available for a business at the end of a financial year.

|                   | \$      |
|-------------------|---------|
| sales             | 300 000 |
| opening inventory | 33 000  |
| closing inventory | 27 000  |

The business applies a mark-up of 20% on all goods purchased.

What was the inventory turnover in days?

- A** 40                      **B** 44                      **C** 45                      **D** 46

22 A business employs machine operators. Each machine operator works 36 hours a week.

One unit of output takes four hours of labour.

It also employs supervisors who can each supervise ten machine operators.

Production is currently 1140 units a week.

How many **more** units can be produced each week before the company needs to employ an extra supervisor?

- A** 3                      **B** 30                      **C** 75                      **D** 90

23 What best describes a fixed cost?

- A** a part that stays the same and a part that changes as output increases  
**B** the same cost per unit for any level of output  
**C** the same total cost for any level of output  
**D** the same total cost for output within a relevant range

24 What would result in the under-absorption of overheads?

|          | expenditure                  | units produced               |
|----------|------------------------------|------------------------------|
| <b>A</b> | actual is less than budgeted | actual is less than budgeted |
| <b>B</b> | actual is less than budgeted | actual is more than budgeted |
| <b>C</b> | actual is more than budgeted | actual is less than budgeted |
| <b>D</b> | actual is more than budgeted | actual is more than budgeted |