

- 23** A soup manufacturer uses batch costing. It produces a batch of 10 000 tins of soup with a direct materials cost of \$2500.

Direct labour involved 200 hours at a cost of \$2000, and overheads are absorbed at the rate of \$15 per direct labour hour.

What is the cost of a tin of soup?

- A** \$0.25                      **B** \$0.45                      **C** \$0.55                      **D** \$0.75

- 24** The table shows costs at three activity levels.

activity levels	65 units	90 units	100 units
	\$	\$	\$
fixed cost	?	?	?
variable cost	?	?	?
total cost	15 600	19 600	21 200

What is the fixed cost?

- A** \$1600                      **B** \$4000                      **C** \$5200                      **D** \$5600

- 25** A customer places an order for 20 000 bricks.

Which costing method will the supplier use to price the order?

- A** batch  
**B** job  
**C** marginal  
**D** unit

- 26** A company has total production costs of \$6000 to make 10 000 units, and \$13 000 to make 24 000 units.

What is its total cost to make 20 000 units?

- A** \$1000                      **B** \$10 000                      **C** \$11 000                      **D** \$12 000