

**28** The following figures are given for a factory's overheads and machine hours worked.

	machine hours	total overhead costs	overhead absorption rate
budgeted	122 000	\$268 400	\$2.20
actual	116 000	\$261 000	\$2.25

What was the under- or over-absorption of overhead for the quarter?

- A** \$5800 under-absorbed
- B** \$5800 over-absorbed
- C** \$7400 under-absorbed
- D** \$7400 over-absorbed

**29** A company manufactures a single product with a selling price of \$75 per unit. The table shows the costs, based on sales and production volume of 8000 units.

	\$000
prime costs	158
variable manufacturing overheads	74
fixed manufacturing overheads	80
variable selling overheads	20
fixed administration overheads	100

If absorption costing is applied, what is the gross profit on each unit sold?

- A** \$21.00
- B** \$36.00
- C** \$43.50
- D** \$46.00

**30** A company has two departments X and Y. Management provides the following information.

	department X	department Y	total
power used	7 500 kwh	17 500 kwh	25 000 kwh
area	30 000 square metres	20 000 square metres	50 000 square metres

The power bill for the year is \$20 000 and the rent is \$100 000.

What is the total amount for rent and heating to be attributed to department X?