

- 28 A company makes and sells a single type of product. The budgeted information for 6000 units is as follows:

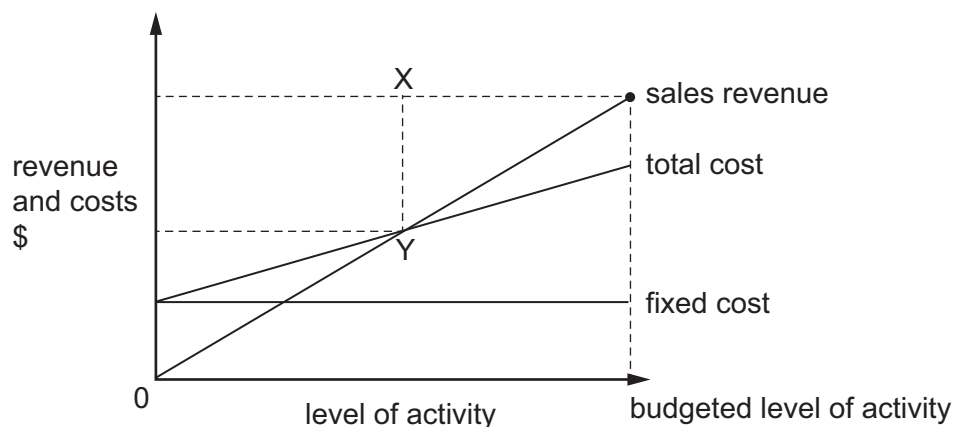
	\$
variable manufacturing costs	90 000
variable selling expenses	6 000
fixed manufacturing overheads	54 000
fixed administrative overheads	21 000

The unit selling price is \$40.

How many units must the company produce and sell to achieve a target profit of \$45 000?

- A 3960                      B 4125                      C 4800                      D 5000

- 29 The diagram shows a break-even chart.



What does line XY represent?

- A the break-even point revenue  
B the margin of safety in terms of revenue  
C the profit at break-even point  
D the total contribution at break-even point

- 30 What is **not** an assumption in cost–volume–profit analysis?