

**24** Which cost relating to a manufacturing business is apportioned between its cost centres?

- A** depreciation of delivery vehicles
- B** factory power
- C** finance costs
- D** raw materials

**25** A company absorbs overheads on the basis of machine hours, which are budgeted at 11 250. The budgeted overhead is \$281 250.

Results show actual hours of 10 980 and overhead of \$276 652.

What is the under or over absorption?

- A** \$2152 over absorbed
- B** \$2152 under absorbed
- C** \$4598 over absorbed
- D** \$4598 under absorbed

**26** A manufacturing company uses the reducing balance method to calculate depreciation.

What describes the depreciation expense?

- A** fixed cost
- B** semi-variable cost
- C** stepped cost
- D** variable cost