

28 A business provided the following information about a product.

	per unit \$
selling price	20.00
variable cost	12.50
fixed cost	3.50

What is the contribution to sales ratio?

- A** 20% **B** 37.5% **C** 62.5% **D** 80%

29 A company has fixed costs of \$8000, which will only increase when production exceeds 40 000 units.

It makes and sells 20 000 units of a single product. Each unit has a selling price of \$10 and has a contribution to sales ratio of 40%.

By how much does the profit increase if it makes and sells 30 000 units?

- A** \$32 000 **B** \$40 000 **C** \$92 000 **D** \$120 000

30 Which statements describe the advantages to a business of using a budgetary control system?

- 1 Budget holders are accountable for controllable costs.
- 2 Costs are controlled by comparing their actual and budgeted levels.
- 3 The budget holders' performance is measured on the quality of their output.

- A** 1 and 2 **B** 1 only **C** 2 and 3 **D** 2 only