

**28** The following information relates to one unit of a product.

per unit	\$
selling price	20
marginal cost	8
fixed costs	5

What is its contribution to sales ratio?

- A** 35%                      **B** 40%                      **C** 60%                      **D** 65%

**29** The budgeted information for one month is shown.

units sales	20 000
selling price per unit	\$12
variable cost per unit	\$3
fixed costs	\$50 000

It is expected that the number of units sold will increase by 10%.

Fixed costs will increase by 5%.

What is the increase in profit as a result of these changes?

- A** \$15 500                      **B** \$18 000                      **C** \$20 500                      **D** \$21 500

**30** What are the disadvantages of budgetary control systems?

- 1 Budget holders can be blamed for uncontrollable adverse outcomes.
- 2 Only financial outcomes are measured and considered.
- 3 Rigid decision-making often occurs.

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