

25 A company sells a single product for \$24 per batch.

The variable cost is \$8 per batch.

Fixed costs have been absorbed based on a normal activity level of 1000 batches at \$6 per batch.

What is the profit under marginal costing if the company makes and sells 1250 batches?

- A** \$10 000 **B** \$12 500 **C** \$14 000 **D** \$20 000

26 The following information is forecast for next period.

opening inventory	20 300 units
closing inventory	22 500 units
marginal cost profit	\$90 600
absorption cost profit	\$100 400

What is the overhead absorption rate per unit?

- A** \$4.03 **B** \$4.45 **C** \$4.46 **D** \$4.95

27 A business is considering disposing of a non-current asset.

Which type of cost is the asset's book value?

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

28 A company has total fixed costs of \$100 000 and a break-even point of 4000 units. Variable costs per unit are \$40. It produced and sold 10 000 units.

How much is revenue per unit?

- A** \$25 **B** \$35 **C** \$65 **D** \$75