

**28** The budgeted income statement of J Limited shows the following.

	\$
sales	400 000
variable costs	240 000
fixed costs	132 000
profit for the year	28 000

What is the margin of safety in dollars?

- A** \$70 000      **B** \$160 000      **C** \$268 000      **D** \$330 000

**29** A business provided the following budgeted information.

	\$
break-even sales revenue	300 000
fixed costs	180 000
target profit	144 000

What is the sales revenue required to achieve the target profit?

- A** \$486 000      **B** \$540 000      **C** \$624 000      **D** \$810 000

**30** Which factors should be considered when setting a budget?

- 1 availability of skilled labour
- 2 production capacity
- 3 quality of goods to be produced

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