

**21** A business provided the following information.

|                        |           |
|------------------------|-----------|
| budgeted overheads     | \$127 000 |
| budgeted machine hours | 10 450    |
| actual overheads       | \$149 000 |
| actual machine hours   | 9 300     |

What was the absorption rate per machine hour?

- A** \$12.15      **B** \$13.66      **C** \$14.26      **D** \$16.02

**22** Which costs are stepped costs?

- 1 Increase in indirect materials cost.
- 2 Increase in variable overheads.
- 3 Renting further factory space.

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

**23** An employee worked a normal 35-hour week and was paid \$15 per hour. He also worked 5 hours of overtime which was paid at \$20 per hour and received a bonus of \$50.

What was his total pay for the week?

- A** \$525      **B** \$600      **C** \$625      **D** \$675

**24** A company uses machine hours to absorb its overheads.

The following information is provided for a month.

|               | actual    | budgeted  |
|---------------|-----------|-----------|
| overheads     | \$237 010 | \$253 450 |
| machine hours | 12 460    | 13 700    |

Which statement regarding overheads is correct?

- A** \$6500 over-absorbed  
**B** \$6500 under-absorbed  
**C** \$16 440 over-absorbed  
**D** \$16 440 under-absorbed