

29 A company has the following budgeted information per unit.

| | |
|----------------|----|
| | \$ |
| selling price | 25 |
| variable costs | 10 |

Fixed costs are \$72 000.

What is the increase in break-even sales if fixed costs increase by $33\frac{1}{3}\%$?

- A** \$38 400 **B** \$40 000 **C** \$53 333 **D** \$60 000

30 Which statements about cost–volume–profit analysis are correct?

- 1 Fixed costs remain constant for a range of activity.
- 2 Profits are calculated on an absorption costing basis.
- 3 Sales revenue increases in direct proportion to output.
- 4 There is only one product or there is a constant sale mix.

- A** 1, 2, 3 and 4
B 1 and 2 only
C 1, 3 and 4 only
D 2, 3 and 4 only