

**23** Actual output for a business is higher than budgeted output.

Which costs will still be the same as budgeted?

- 1 fixed cost per unit
- 2 total fixed cost
- 3 total variable cost
- 4 variable cost per unit

**A** 1 and 2      **B** 2 and 3      **C** 2 and 4      **D** 3 and 4

**24** A business uses the first in first out (FIFO) method for valuation of inventory.

There was no opening inventory in July.

The business purchased direct materials during July as follows:

July		quantity kg	cost per kg \$
3	purchases	2000	25
15	purchases	3000	28

Each unit required 4 kg of direct materials.

The labour cost for each unit was \$42.

The fixed overhead for July was \$85 000.

In July 1000 units were produced and 800 units were sold.

What is the average direct cost for each unit?

**A** \$148      **B** \$176      **C** \$185      **D** \$233

**25** A business provides accounting services to its clients.

One of its employees takes 30 hours to complete a job. The employee's hourly rate is \$25.

The business absorbs its overheads at a rate of \$10 per labour hour.

It adds 20% profit to the total cost of the job.

What is the total price of the job charged to the client?

**A** \$900      **B** \$1050      **C** \$1200      **D** \$1260