21 A business uses the First In First Out (FIFO) method to value its inventory.

The following inventory transactions took place during a month. There was no opening balance.

date	receipts		issues
	units	$ per unit	units
1 July	100	15.50	
6 July	100	15.60	
10 July			80
20 July	50	15.80	
25 July			100

What was the value of inventory at the end of the month?

A $1085 **B** $1092 **C** $1102 **D** $1106

22 A business has two production departments: assembly and machinery. The following budgeted information is available.

	assembly	machinery
labour hours	5600	1350
machine hours	1200	6900
overheads	$75 000	$80 000

What is the overhead absorption rate for the assembly department?

A $13.39 per labour hour

B $19.14 per machine hour

C $22.30 per labour hour

D $62.50 per machine hour

23 A shortage caused a business to pay more for its purchases of raw materials.

What is the effect of this?

	break-even point	marginal cost	contribution
A	decrease	decrease	increase
B	decrease	decrease	decrease
C	increase	decrease	increase
D	increase	increase	decrease