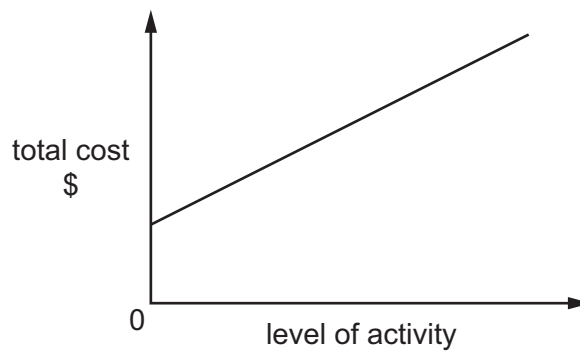


**27** The diagram illustrates the cost behaviour of a typical telephone invoice.



Which term best describes the behaviour of this cost?

- A** fixed
- B** semi-variable
- C** stepped
- D** variable

**28** Which statements about the limitations of marginal costing are correct?

- 1 Finance costs are not included in the manufacturing overheads.
- 2 Variable cost per unit changes at different levels of activity.
- 3 Some costs may be semi-variable costs.

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

**29** A product has a variable cost of \$31.32 per unit. Total fixed costs are \$93 600.

When production is 13 000 units the margin of safety is 5000 units.

What is the selling price per unit?

- A** \$36.52      **B** \$38.52      **C** \$43.02      **D** \$50.04

**30** Why is planning important to a business?

- 1 to ensure that the business always makes a profit
- 2 to employ the correct number of workers
- 3 to reduce the risk of running out of inventory