

22 Which cost will decrease as production is increased?

- A** fixed costs per unit
- B** total fixed costs
- C** total variable costs
- D** variable cost per unit

23 A business sells its product for \$50 a unit and has variable costs of \$30 per unit. Its fixed costs for this year were \$200 000. Next year, fixed costs are expected to be \$260 000.

How many more units will have to be sold next year to make the same profit as this year?

- A** 3000
- B** 5200
- C** 10 000
- D** 13 000

24 A business has sales of \$250 000, fixed costs of \$50 000 and a contribution/sales ratio of 30 %.

What is the profit?

- A** \$25 000
- B** \$60 000
- C** \$75 000
- D** \$200 000

25 A business provides the following information for a month.

actual direct labour hours worked	8000
actual overhead expenditure	\$88 000
budgeted direct labour hours	7500
budgeted overhead expenditure	\$90 000

What is the amount of the overhead over/under recovery?

- A** \$2000 over-recovered
- B** \$2000 under-recovered
- C** \$8000 over-recovered
- D** \$8000 under-recovered