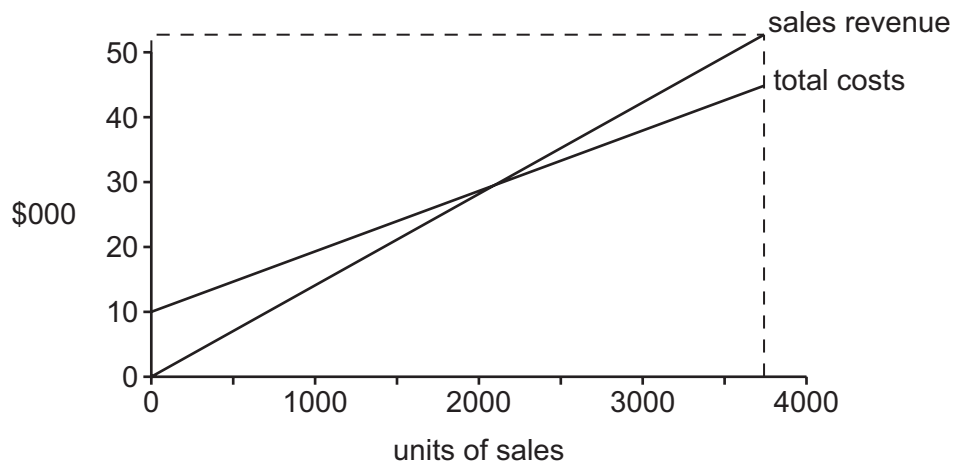


26 The graph shows a break-even chart.



What are the fixed costs?

- A** \$0 **B** \$10 000 **C** \$20 000 **D** \$30 000

27 What is a benefit of using absorption costing?

- A** It allows a business to calculate the break-even point for production.
B It allows a business to calculate the total cost of goods produced.
C It allows a business to calculate the profit to be made on a product.
D It allows decision-making on utilising spare capacity by increasing production.

28 A business provides the following data for the year.

budgeted output (units)	10 000
actual output (units)	8 000
	\$
budgeted fixed production costs	1 200 000
budgeted variable production costs	800 000
budgeted fixed selling overhead	600 000

What is the absorption cost per unit used for stocktaking?

- A** \$200 **B** \$250 **C** \$260 **D** \$325