

- 26** Last month a business sold 10 000 units and made a total contribution of \$60 000. Fixed costs were \$10 000.

This month the sales volume fell by 20% and its contribution per unit fell by 10%. Fixed costs were unchanged.

By how much will its profit fall this month compared to last month?

- A** \$6000                      **B** \$16 800                      **C** \$26 800                      **D** \$43 200

- 27** A business has provided the following information.

	\$
total fixed costs	12 500
unit selling price	10
unit variable cost	6

Fixed costs and unit selling prices are expected to remain unchanged.

Which percentage increase in variable costs would result in a break-even quantity of 5000 units?

- A** 20%                      **B** 25%                      **C** 33%                      **D** 42%

- 28** The following information is available for a product.

selling price per unit	\$25
total fixed costs	\$30 000
break-even point	5000 units

What is the contribution to sales (C/S) ratio?

- A** 19.4%                      **B** 24%                      **C** 31.6%                      **D** 76%

- 29** Which cost will increase as production decreases?

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

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