

24 The following information is provided about one unit of a product.

	\$
selling price	100
contribution	40
profit	10

The selling price is expected to increase by \$10. Costs are expected to remain unchanged.

What will be the change in the contribution to sales ratio?

- A** 3.64% decrease
- B** 3.64% increase
- C** 5.45% decrease
- D** 5.45% increase

25 The following information is available.

	\$
unit selling price	36
direct cost per unit	18
selling commission per unit	2
total fixed costs	180 000
total units manufactured and sold	18 000

What was the margin of safety?

- A** 37.50%
- B** 44.44%
- C** 55.56%
- D** 62.50%

26 How is break-even revenue calculated?

- A** (total fixed costs + total variable costs) divided by contribution per unit
- B** (total fixed costs + total variable costs) divided by contribution to sales ratio
- C** total fixed costs divided by contribution per unit
- D** total fixed costs divided by contribution to sales ratio