

- 21** An employee is paid \$20 an hour basic pay for working seven hours a day. Overtime is paid at the rate of time and a quarter (basic pay plus 25%). A bonus is also paid at the rate of time and a half (basic pay plus 50%) for each unit produced in excess of eight units per day.

On Monday the employee worked 10 hours and produced 10 units.

How much did the employee earn on Monday?

- A** \$175 **B** \$200 **C** \$215 **D** \$275

- 22** A business uses absorption costing.

What will be included in cost of sales?

- A** variable manufacturing costs, variable selling costs and fixed manufacturing costs
B variable manufacturing costs and fixed manufacturing costs only
C variable manufacturing costs and variable selling costs only
D variable manufacturing costs only

- 23** A business absorbs its overheads on the basis of machine hours.

The following information is provided.

	actual	budgeted
overheads	\$960 000	\$900 000
machine hours	6200	6000

By how much were overheads under-absorbed or over-absorbed?

- A** over-absorbed by \$30 000
B under-absorbed by \$30 000
C over-absorbed by \$60 000
D under-absorbed by \$60 000