

- 28 A company makes and sells a single type of product. The budgeted information for 6000 units is as follows:

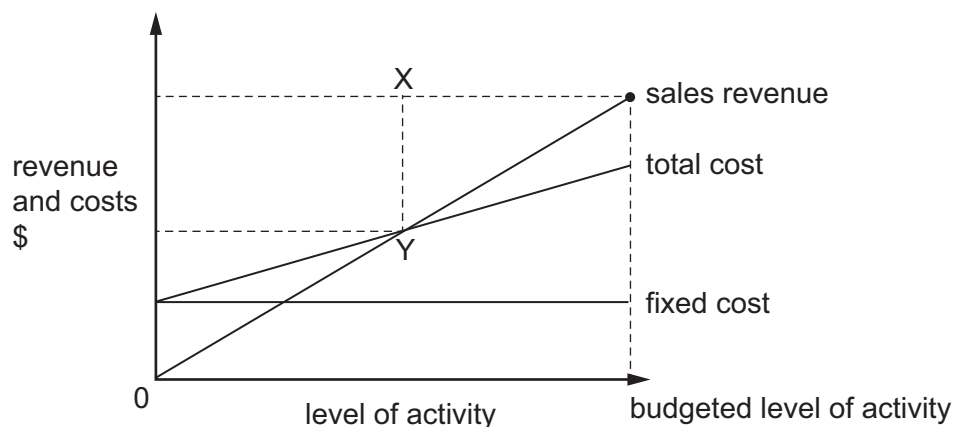
	\$
variable manufacturing costs	90 000
variable selling expenses	6 000
fixed manufacturing overheads	54 000
fixed administrative overheads	21 000

The unit selling price is \$40.

How many units must the company produce and sell to achieve a target profit of \$45 000?

- A** 3960                      **B** 4125                      **C** 4800                      **D** 5000

- 29 The diagram shows a break-even chart.



What does line XY represent?

- A** the break-even point revenue  
**B** the margin of safety in terms of revenue  
**C** the profit at break-even point  
**D** the total contribution at break-even point

- 30 What is **not** an assumption in cost–volume–profit analysis?