27 A company makes and sells a single product for $50 per unit.

The variable cost is $16 per unit.

Fixed costs have been absorbed based on a normal activity level of 1000 units at $4 per unit.

What is the profit under marginal costing if the company makes and sells 2000 units?

A $32 000 **B** $60 000 **C** $64 000 **D** $68 000

28 Which purpose is cost–volume–profit analysis used for?

A comparing actual and budgeted costs

B organising resources in the most efficient way

C planning to achieve targeted profit

D preparing annual financial statements

29 The following budgeted information is available.

units	total cost $
7000	15 000
9000	19 000

If production exceeded 9000 units, fixed costs would increase by $500.

What is the total budgeted production cost for 10 000 units?

A $20 500 **B** $21 000 **C** $21 500 **D** $21 750

30 Which statement does **not** apply to an efficient system of business planning?

A It identifies levels of achievable costs and revenues.

B It identifies budgets when a business is only making a loss.

C It identifies targets regularly to monitor future performance.

D It informs management if standards are not met.