

29 The budget for a product is shown.

unit sales	620 000
	\$
selling price per unit	31
variable cost per unit	16
contribution per unit	<u>15</u>
fixed costs	\$7 500 000

If the fixed costs rise to \$7 800 000, the selling price is reduced to \$29 per unit, and the variable cost remains unchanged at \$16 per unit, the sales are likely to reach 660 000 units.

By what percentage will the revised break-even point increase?

- A** 3.8 % **B** 4.0 % **C** 16.7 % **D** 20.0 %

30 A company uses a predetermined direct labour rate of \$5.40 per hour to absorb production overhead. Each unit of product manufactured requires four direct labour hours.

The following information is available for a period:

actual production overhead	\$518 400
under-absorbed production overhead	\$32 400

What was the actual output of the product in the period?

- A** 22 500 units **B** 24 000 units **C** 25 500 units **D** 30 000 units