

23 A business absorbs overheads based on machine hours.

During the last quarter it had the following budgeted and actual results.

actual overheads	\$118 505
actual machine hours	6 230
budgeted overheads	\$126 725
budgeted machine hours	6 850

By how much were overheads over or under absorbed?

- A** over absorbed by \$3250
- B** over absorbed by \$8220
- C** under absorbed by \$3250
- D** under absorbed by \$8220

24 Actual output exceeds budgeted output.

Which cost is higher than budgeted?

- A** fixed costs per unit
- B** total fixed costs
- C** total variable costs
- D** variable costs per unit

25 A company manufactures three products. The following information is obtained in respect of next month's budgeted production.

	product X	product Y	product Z
contribution per unit	\$7	\$6	\$8
contribution per kilo	\$3	\$4	\$6
kilos of material required for production	400	600	1000

The company has been advised that only 1800 kilos of material will be available for production next month.

What is the maximum contribution the company can earn?

- A** \$9000
- B** \$9600
- C** \$13 000
- D** \$13 200