

**24** Which would be a suitable basis to apportion depreciation to production departments?

- 1 machine hours
- 2 net book value of machinery
- 3 number of machines
- 4 original cost of machinery

**A** 1 and 2 only    **B** 1, 2 and 4    **C** 2, 3 and 4    **D** 3 and 4 only

**25** The following information is available.

per unit	\$
selling price	10
variable costs	4

Budgeted break-even sales volume is 15 000 units.

Budgeted sales volume is 20 000 units.

What were the fixed costs?

**A** \$20 000    **B** \$30 000    **C** \$60 000    **D** \$90 000

**26** A business increased its profits by changing from marginal costing to absorption costing.

Which statement is correct?

- A** Production and sales were equal.
- B** Production stopped in the period.
- C** Production was greater than sales.
- D** Production was less than sales.

**27** A company makes and sells a single product. The following budgeted information is available for one month.

selling price per unit	\$750
variable costs per unit	\$550
total monthly sales	600 units
total fixed costs	\$80 000

The directors are able to reduce the variable costs to \$500 per unit.

By how many units can budgeted sales reduce to achieve the same monthly profit?

**A** 120    **B** 320    **C** 400    **D** 480