

- 24** A company has ordered a new machine, to be delivered in six months. In the short term, the machine hours will be a limiting factor. It has made the following calculations.

	product X	product Y	product Z
contribution per unit made	\$24	\$12	\$20
machine hours used per unit	6	1	2

What will be the most profitable ranking order for production?

- A** X → Y → Z
B X → Z → Y
C Y → Z → X
D Z → Y → X
- 25** The following data is available for the production department of a manufacturing company. Overheads are absorbed on a direct labour hour basis.

	direct labour hours	total overhead costs \$
budgeted	96 000	242 880
actual	97 600	253 760

What is the over or under absorption of overheads for the period?

- A** \$6832 over absorbed
B \$6832 under absorbed
C \$10 880 over absorbed
D \$10 880 under absorbed
- 26** The following information applies to a business.

output (units)	sales \$	profits \$
375	750 000	100 000
500	1 000 000	250 000

What is the contribution to sales ratio?

- A** 25% **B** 40% **C** 50% **D** 60%