

**22** A company receives the following units of raw material into inventory.

units	per unit \$	total \$
120	38	4560
100	40	4000
60	44	2640

It then issued 240 units.

Inventory is valued using the weighted average (AVCO) method.

What was the closing value of inventory?

- A** \$1440      **B** \$1520      **C** \$1600      **D** \$1760

**23** The budgeted data of N Limited is as follows.

production level	total costs
15 000 units	\$406 000
25 000 units	\$546 000

What is the budgeted fixed cost?

- A** \$196 000      **B** \$238 000      **C** \$336 000      **D** \$357 000

**24** In March, a company's overhead absorption rate was \$2 per machine hour. In April this rate increased.

What had **increased** in April causing the change in the overhead absorption rate?

- A** cost of insurance for the factory  
**B** hourly pay rate of production workers  
**C** number of actual machine hours worked  
**D** number of budgeted machine hours