

29 A company is forecasting its profits at two levels of activity.

sales units	5000	8000
	\$	\$
total fixed and variable costs	20 000	26 000
profit	15 000	30 000
sales revenue	35 000	56 000

Fixed costs and selling prices are unchanged within the above activity range.

What is the forecast profit if sales were 7000 units?

- A** \$21 000 **B** \$25 000 **C** \$26 000 **D** \$26 250

30 Which statement about a cash budget is correct?

- A** It includes credit sales and discount allowed.
B It includes credit sales but excludes discount allowed.
C It includes receipts from debtors and discount allowed.
D It includes receipts from debtors but excludes discount allowed.