

- 24** A business pays its employees \$2 for each unit of X they assemble and \$3.20 for each unit of Y. Monthly output is 1800 units of X and 1000 units of Y. The factory supervisor is paid \$1000 per month.

What is the direct labour cost per month?

- A** \$6800                      **B** \$7760                      **C** \$7800                      **D** \$8760

- 25** A garage owner paid the following costs.

- 1 mechanics' wages
- 2 garage equipment repairs
- 3 spare parts used to repair vehicles
- 4 rent paid for garage premises

Which of these are direct costs?

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

- 26** A business incurs the following costs.

- 1 direct material and direct labour costs
- 2 indirect factory production overheads
- 3 administrative expenses
- 4 distribution costs

Which costs are included in the cost per unit using absorption costing?

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