

**27** A manufacturer has 700 units of finished goods in stock on 1 March.

On 31 March the total number of units in stock is 770.

At present, stock is valued using the total costing method.

What would be the effect on the operating profit if the marginal costing method is used for stock valuation?

- A** increase operating profit
- B** no change in operating profit
- C** no change in operating profit but a 10 % increase in gross profit
- D** reduce operating profit

**28** A job cost sheet showed the following estimates.

	\$
materials	680
labour at \$20 per hour	200
overheads at \$10 per labour hour	100
profit	280
price of job	1 260

The job actually took 25 % more labour hours than were estimated.

What was the profit?

- A** \$205
- B** \$230
- C** \$330
- D** \$355