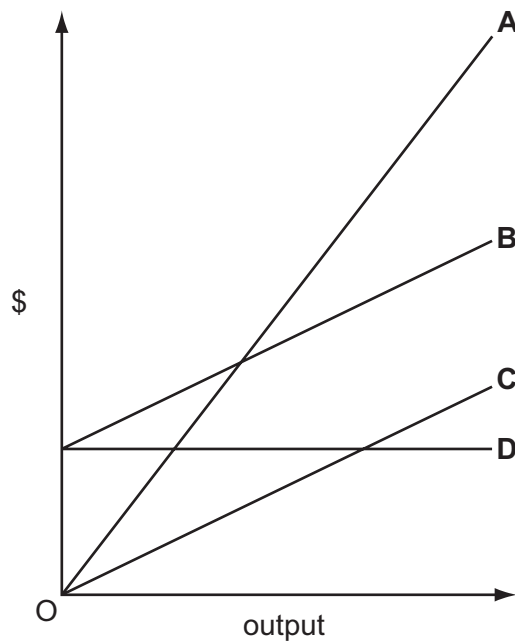


**25** Which line represents total variable cost?



**26** A company makes and sells one product that has a variable cost of \$21 and a contribution to sales ratio of 30 %. Total fixed costs per month are \$112 500.

How many units need to be sold each month to break-even?

- A** 3750 units
- B** 5357 units
- C** 12 500 units
- D** 16 071 units

**27** A product has a contribution per unit of \$20.

Which action would increase the total contribution by the greatest amount?

- A** a 10 % increase in selling price
- B** a 10 % increase in the volume of sales
- C** a 10 % reduction in variable costs
- D** a 20 % reduction in fixed costs