

**22** The inventory records of a business show the following information for product X.

		units	cost per unit \$
1 January	opening balance	100	3
3 January	receipts into inventory	50	4
8 January	inventory issued	120	—

What is the value of the inventory issued on 8 January using the FIFO method?

- A** \$360                      **B** \$380                      **C** \$410                      **D** \$420

**23** A company has the following budgeted information.

	units
opening inventory	60 900
closing inventory	67 500
	\$
profit using marginal costing	271 350
profit using absorption costing	300 126

What is the value of overheads absorbed by each unit?

- A** \$4.02                      **B** \$4.36                      **C** \$4.45                      **D** \$4.93

**24** A manufacturer makes a single product. He sells this for \$240 per batch.

The variable cost is \$80 per batch.

Fixed costs have been absorbed based on a normal activity level of 1000 batches at \$60 per batch.

What is the profit if the company makes and sells 1250 batches?

- A** \$100 000                      **B** \$125 000                      **C** \$140 000                      **D** \$200 000

**25** Which statements are **not** correct when using a break-even chart?

- 1 Fixed and variable costs are shown as separate lines.
- 2 Fixed costs are shown as a straight horizontal line.
- 3 They are quick and easy to prepare by people with no accounting knowledge.

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