25 The actual output for a business is lower than that forecast.

Which costs would normally still be the same as forecast?

1 fixed cost per unit

2 total fixed cost

3 total variable cost

4 variable cost per unit

A 1 and 2 **B** 2 and 3 **C** 2 and 4 **D** 3 and 4

26 Ehsen Nadeen manufactures one product, the miji. Each miji has a selling price of $10 and variable costs of $8 and annual fixed costs total $12 000. Ehsen wishes to make a profit of $14 000 a year.

How many mijis should Ehsen make each year?

A 2600 **B** 6000 **C** 7000 **D** 13 000

27 Which costing method is most suitable for fixing a selling price and which for deciding whether to make or buy in a product?

	fixing of selling price	decision to make or buy in a product
A	absorption costing	absorption costing
B	absorption costing	marginal costing
C	marginal costing	absorption costing
D	marginal costing	marginal costing

28 A business provides the following data.

output level	1	2
direct labour hours	8 500	9 250
total overheads	$123 250	$124 563

The variable overhead cost is $1.75 per direct labour hour.

What is the fixed overheads cost when 8500 labour hours are used?

A $1313 **B** $14 875 **C** $108 375 **D** $123 250