

27 A company absorbs overheads using machine hours. The following information is available.

| | overheads | machine hours |
|----------|-----------|---------------|
| budgeted | \$200 000 | 40 000 hours |
| actual | \$240 000 | 60 000 hours |

What was the over or under absorption of overheads?

- A** \$40 000 over
- B** \$40 000 under
- C** \$60 000 over
- D** \$60 000 under

28 How is margin of safety calculated?

- A** actual sales minus break-even sales
- B** actual sales minus budgeted sales
- C** actual sales minus cost of sales
- D** budgeted sales minus cost of sales

29 A company incurs total costs of \$2200 for producing 100 units and \$4600 for 300 units. The selling price per unit is \$20.

What is the total profit or loss at a production level of 200 units?

- A** \$400 loss
- B** \$600 profit
- C** \$933 profit
- D** \$1600 profit

30 A company provides the following information in respect of its carriage costs.

| units carried | total cost \$ |
|---------------|------------------|
| 2 000 | 6 000 |
| 5 000 | 13 500 |