

**26** The following information is available.

	\$
direct materials	20 000
direct labour	45 000
direct expenses	6 000
variable overheads	11 000
fixed overheads	38 000
sales	240 000

What is the contribution to sales ratio?

- A** 50%                      **B** 54.58%                      **C** 65.83%                      **D** 70.42%

**27** A company provides the following information.

budgeted overheads	\$136 000
budgeted labour hours	10 568
actual overheads	\$146 000
actual labour hours	10 110

What is the overhead absorption rate per labour hour?

- A** \$12.87                      **B** \$13.45                      **C** \$13.82                      **D** \$14.44

**28** The following information is for a business.

	\$
budgeted fixed costs per month	2000
target profit per month	3000
budget variable cost per unit	15
selling price per unit	40

Fixed costs are expected to increase by \$500 per month and variable costs increase by \$5 per unit.

Which value of revenue will be required to achieve the target profit?

- A** \$8000                      **B** \$8800                      **C** \$10 000                      **D** \$11 000