

- 26** A business has fixed costs of \$100 000. It sells a single product for \$25 per unit, and its contribution to sales ratio is 40%.

What is the break-even point in units?

- A** 6667 **B** 10 000 **C** 40 000 **D** 250 000

- 27** What is the purpose of cost accounting?

- A** to aid decision-making
B to calculate the value of non-current assets
C to give a true and fair view of a company's financial situation
D to value the contribution made by a firm's workforce

- 28** A business provides the following financial information.

	\$ per unit
selling price	41
direct materials	5
direct labour	8
variable overhead	3
fixed overhead	4
profit	21

What is the marginal cost per unit?

- A** \$13 **B** \$16 **C** \$20 **D** \$25

- 29** A business hires machinery at a cost of \$700 per machine per month. Each machine can produce 1000 units a month. A maximum of 10 machines can fit into the factory. The factory rent is \$4900 per month. Other costs amount to \$2 per unit.

What is the unit cost if 8500 units are produced in a month?

- A** \$3.19 **B** \$3.23 **C** \$3.28 **D** \$3.32