

- 25** A company uses a machine hour basis to absorb its overheads.

The following information is provided for its last period.

	actual	budgeted
overheads	\$299 000	\$350 000
machine hours	46 000	50 000

Which statement regarding overheads is correct?

- A** They were over absorbed by \$23 000.
 - B** They were under absorbed by \$23 000.
 - C** They were over absorbed by \$51 000.
 - D** They were under absorbed by \$51 000.
- 26** A business provided the following information about a product.

	per unit \$
selling price	15.00
variable cost	9.00
fixed cost	4.20

Budgeted production and sales were 1200 units.

What was the profit made for actual production and sales of 1500 units?

- A** \$2700 **B** \$3960 **C** \$6660 **D** \$9000
- 27** A manufacturer has limited labour hours available to produce three types of products.
- Which factor should be considered in order to maximise the profit?
- A** break-even of each product
 - B** profit per unit of each product
 - C** contribution per unit of each product
 - D** contribution per labour hour of each product