

29 A business provides the following information.

break-even point	4500 units
unit selling price	\$50
contribution to sales ratio	40%

What is the effect on the break-even point if the unit selling price is increased by 10%?

- A** increased by 409 units
- B** decreased by 409 units
- C** increased by 900 units
- D** decreased by 900 units

30 When might the application of cost–volume–profit (CVP) analysis be ineffective?

- A** when a change in production method is planned
- B** when an increase in the price of direct labour is expected
- C** when output is likely to fall
- D** when there are fixed costs as well as variable costs