

- 29** The direct material cost of 20 000 units is \$8000. 400 direct labour hours are required at a cost of \$6000. Overheads are absorbed at 150% of the cost of direct labour.

What is the cost per unit?

- A** \$0.40 **B** \$0.70 **C** \$0.85 **D** \$1.15

- 30** Why might a business prepare a budget?

- A** to determine the amount of bank loan it needs
- B** to determine the skills of labour force
- C** to identify its market share
- D** to identify the quality of its products