

**22** Which cost is treated as variable cost of a motor transport company?

- A** advertising
- B** driver insurance
- C** fuel
- D** vehicle licence

**23** Adam is paid \$4 per hour and his expected output is 500 units per week. He is also paid a bonus \$1 for every 20 perfect units made above the total of 500.

In one week he worked for 40 hours and made 880 units, but 40 were faulty and were scrapped.

How much was Adam paid for the week?

- A** \$177                      **B** \$179                      **C** \$202                      **D** \$204

**24** A business values their inventory using the AVCO method. The inventory on 1 June 2017 was 100 units valued at \$2.40 each.

The following took place.

June 5    purchased 40 units at \$2.50 per unit  
            7    sold 60 units at \$3.50 per unit

What was the value of the inventory on 8 June 2017 to the nearest dollar?

- A** \$194                      **B** \$196                      **C** \$200                      **D** \$224

**25** The following budgeted information is available for a hotel for the next financial year.

fixed overheads	\$192 000
direct costs	\$240 000
number of guests	2400
average guest stay	4 nights

What is the overhead absorption rate per guest night?

- A** \$20                      **B** \$45                      **C** \$80                      **D** \$180