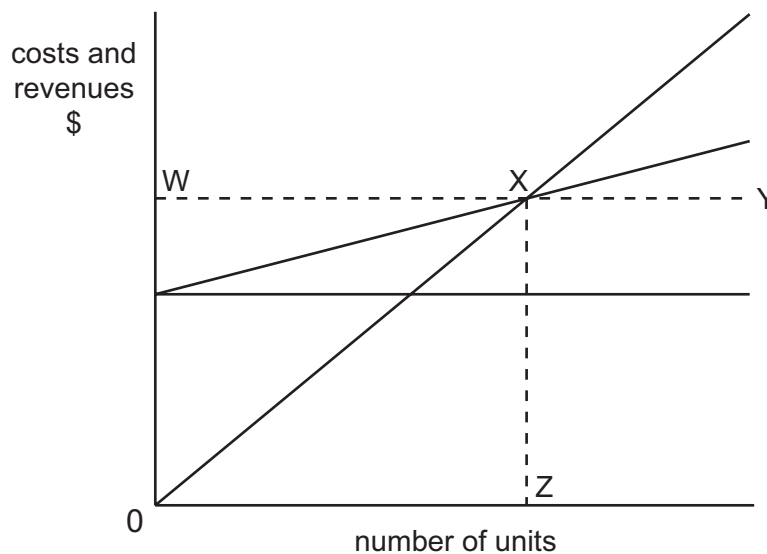


25 The diagram shows a break-even chart.



Which line represents the margin of safety?

- A** WX **B** WY **C** XY **D** XZ

26 Assuming all other factors remain unchanged, the break-even point of a business can be lowered by increasing its

- A** budgeted sales
B fixed costs
C marginal costs
D selling prices

27 A company uses a predetermined direct labour rate of \$5.40 per hour to absorb production overhead. Each unit of product manufactured requires four direct labour hours.

The following information is available for a period.

actual production overhead	\$518 400
under-absorbed production overhead	\$32 400

What was the actual output of the product in the period?

- A** 22 500 units **B** 24 000 units **C** 25 500 units **D** 30 000 units