

26 What would cause overheads to be over-absorbed?

- A** Overhead absorbed is greater than overhead budgeted.
- B** Overhead absorbed is less than overhead budgeted.
- C** Overhead incurred is greater than overhead absorbed.
- D** Overhead incurred is less than overhead absorbed.

27 A company has the following information for producing 2000 units of a product.

	\$
sales revenue	85 000
direct materials	30 000
direct labour	14 000
direct expenses	2 500
other variable overheads	10 200
fixed overheads	8 000

What is the contribution to sales ratio?

- A** 23.88% **B** 33.29% **C** 45.29% **D** 54.71%

28 The following information is available about two products.

	product 1 per unit	product 2 per unit
material X	2 kilos	4 kilos
material Y	3 kilos	1 kilo
direct labour	3 hours	6 hours

Production is planned to be 100 units of each product.

700 kilos of material X and 400 kilos of material Y are available. A total of 800 direct labour hours can be worked.

What are the limiting factors?

- A** direct labour only
- B** material X only
- C** material Y only
- D** all three inputs