

27 A company makes and sells a single product for \$50 per unit.

The variable cost is \$16 per unit.

Fixed costs have been absorbed based on a normal activity level of 1000 units at \$4 per unit.

What is the profit under marginal costing if the company makes and sells 2000 units?

- A** \$32 000 **B** \$60 000 **C** \$64 000 **D** \$68 000

28 Which purpose is cost–volume–profit analysis used for?

- A** comparing actual and budgeted costs
- B** organising resources in the most efficient way
- C** planning to achieve targeted profit
- D** preparing annual financial statements

29 The following budgeted information is available.

units	total cost \$
7000	15 000
9000	19 000

If production exceeded 9000 units, fixed costs would increase by \$500.

What is the total budgeted production cost for 10 000 units?

- A** \$20 500 **B** \$21 000 **C** \$21 500 **D** \$21 750

30 Which statement does **not** apply to an efficient system of business planning?

- A** It identifies levels of achievable costs and revenues.
- B** It identifies budgets when a business is only making a loss.
- C** It identifies targets regularly to monitor future performance.
- D** It informs management if standards are not met.