

- 25** A trader rents a vehicle for \$10 000 which allows him to cover 20 000 miles per financial year. If this mileage is exceeded, an additional charge of \$5000 is made.

Which type of cost is this an example of?

- A** fixed
 - B** semi-variable
 - C** stepped
 - D** variable
- 26** When might a business calculate its contribution to sales ratio rather than contribution per unit?
- A** when the break-even point needs to be expressed in units
 - B** when the business produces and sells several different products
 - C** when the value of fixed costs is uncertain
 - D** when there are limiting factors affecting production
- 27** The following information is available.

| | \$ |
|---|---------|
| selling price per unit | 50 |
| variable manufacturing expense per unit | 26 |
| variable selling expense per unit | 4 |
| total manufacturing overhead | 360 000 |
| total administrative overhead | 120 000 |

What is the break-even point in **units**?

- A** 15 000
 - B** 18 000
 - C** 20 000
 - D** 24 000
- 28** K Limited manufactures and sells a single type of product. The following budgeted information is available in respect of it.

| | |
|----------------------|---------------|
| selling price | \$80 per unit |
| variable costs | \$28 per unit |
| total fixed costs | \$70 000 |
| production and sales | 3500 units |

How many **extra** units would the company need to produce and sell to increase the budgeted profit by \$26 000?

- A** 325
- B** 362
- C** 500
- D** 813