

21 To make a single unit of output a business requires material costing \$1000.

When 20 items are produced, the total cost of the material is \$20 000.

What best describes this cost?

- A** fixed cost
- B** semi variable cost
- C** stepped cost
- D** variable cost

22 A business has the following total overheads for two different output levels.

total overheads \$	output (units)
200 000	20 000
216 000	30 000

What is the total fixed overhead cost?

- A** \$16 000 **B** \$48 000 **C** \$168 000 **D** \$216 000

23 A retailer uses the FIFO method for inventory valuation. The following information is available.

June		\$
1	opening inventory 300 units at \$12 per unit	3 600
10	purchased 1000 units at \$12.50 per unit	12 500
21	sold 1200 units for \$16 each	19 200
28	purchased 700 units at \$13 per unit	9 100

What was the value of the inventory at 30 June?

- A** \$6000 **B** \$9850 **C** \$10 080 **D** \$10 350