

- 27** A company manufactures one product. During the year it produced 1000 units. Total costs were as follows.

	\$
raw materials	?
production labour	18 000
factory supervisor	8 000
depreciation of equipment	3 000
rent	7 000
carriage inwards	1 000

Variable cost per unit was \$51.

What was the total cost of raw materials?

- A** \$21 000      **B** \$25 000      **C** \$32 000      **D** \$33 000
- 28** A product has a variable cost of \$50 and a selling price of \$80. Fixed costs are \$90 000. Budgeted sales are 8000 units.
- What is the margin of safety?
- A** 1800 units  
**B** 3000 units  
**C** 5000 units  
**D** 6200 units
- 29** A business has sales of \$250 000, fixed costs of \$50 000 and a contribution / sales ratio of 30%.
- What is the profit?
- A** \$25 000      **B** \$60 000      **C** \$75 000      **D** \$200 000