

- 26** Which name is given to the difference between a company's actual sales and break-even sales?
- A** margin of safety
 - B** marginal cost
 - C** marginal C-V-P (cost-volume-profit) analysis
 - D** marginal revenue

- 27** What best describes cost of direct materials plus direct labour costs?
- A** absorption cost
 - B** marginal cost
 - C** prime cost
 - D** total cost

- 28** A company has the information shown below.

	\$
actual sales for August	320 000
break-even sales for August	400 000
total fixed costs for August	150 000

What is the margin of safety for August?

- A** \$80 000 negative
 - B** \$80 000 positive
 - C** \$170 000 negative
 - D** \$250 000 positive
- 29** A business has fixed costs of \$100 000. It sells a single product for \$25 per unit, and its contribution to sales ratio is 40 %.

What is the break-even point in units?

- A** 6667 **B** 10 000 **C** 40 000 **D** 250 000