

**21** A business provided the following information.

budgeted overheads	\$20 000
budgeted direct labour hours	2000
direct labour rate	\$20 per hour

A job used materials costing \$45 and 6 hours of direct labour.

Overheads are charged on the basis of direct labour hours used.

What was the cost of the job before adding any profit?

- A** \$105                      **B** \$165                      **C** \$180                      **D** \$225

**22** A business has produced the following estimates of labour costs for next month.

units produced	600	800	1100
total labour cost	\$5690	\$6170	\$6890

What was the monthly fixed labour cost?

- A** \$480                      **B** \$1200                      **C** \$2640                      **D** \$4250

**23** Why are service centre costs apportioned to production departments?

- A** to act as a check on service centre managers
- B** to ascertain whether service centres are cost effective
- C** to ensure the service centre costs are included in selling prices
- D** to minimise the total costs of service centres