

**23** Which statements are correct?

- 1 When output increases, fixed costs per unit decrease.
- 2 When output increases, variable costs per unit stay the same.
- 3 When output decreases, total fixed costs stay the same.
- 4 When output decreases, total variable costs decrease.

- A** 1, 2, 3 and 4  
**B** 1 and 2 only  
**C** 1, 3 and 4 only  
**D** 2 and 3 only

**24** A company's fixed overheads details were as shown.

	hours	fixed overheads \$
budget	10 000	150 000
actual	11 000	170 000

What was the over or under absorption of fixed overheads?

- A** \$5000 over absorbed  
**B** \$5000 under absorbed  
**C** \$15 000 over absorbed  
**D** \$15 000 under absorbed

**25** The following budgeted data is available for July 2021.

	\$
direct labour (\$20 per hour)	80 000
indirect labour	12 000
factory expenses	36 000
depreciation on machinery	30 000
depreciation on office equipment	18 000
administrative expenses	44 000

What is the budgeted overhead absorption rate per direct labour hour?

- A** \$19.50      **B** \$24      **C** \$35      **D** \$39.50