

**29** The following data applies to a business.

budgeted labour hours	10 000
actual labour hours	9 500
budgeted overheads	\$150 000
actual overheads	\$160 000

What is the amount of overhead under-absorbed?

- A** \$7500      **B** \$8000      **C** \$10 000      **D** \$17 500

**30** A company manufactures one product. Variable costs are \$600 000. Fixed costs are \$300 000.

If it bought the product from another supplier, it could use existing machinery to make a total contribution of \$400 000. Fixed costs would not change.

What is the maximum price it should pay to obtain the product from another supplier?

- A** \$600 000      **B** \$700 000      **C** \$900 000      **D** \$1 000 000