

**23** A factory employs a large number of staff who pack different products for different customers.

What would be the most suitable basis to absorb the packing department overheads?

- A** customer
- B** labour hours
- C** machine hours
- D** product

**24** The following information is available.

	budget	actual
overhead cost \$	60 000	66 000
direct labour hours	30 000	35 000

Overheads are absorbed on the basis of direct labour hours.

What was the amount of over absorption or under absorption of overheads?

- A** \$4000 over
- B** \$4000 under
- C** \$6000 over
- D** \$6000 under

**25** A business employs machinists to make a single product.

As demand increases more machinists are employed. Every time eight extra machinists are employed, one extra supervisor is needed.

How are total labour costs best described?

	machinists	supervisors
<b>A</b>	fixed	variable
<b>B</b>	stepped	variable
<b>C</b>	variable	fixed
<b>D</b>	variable	stepped