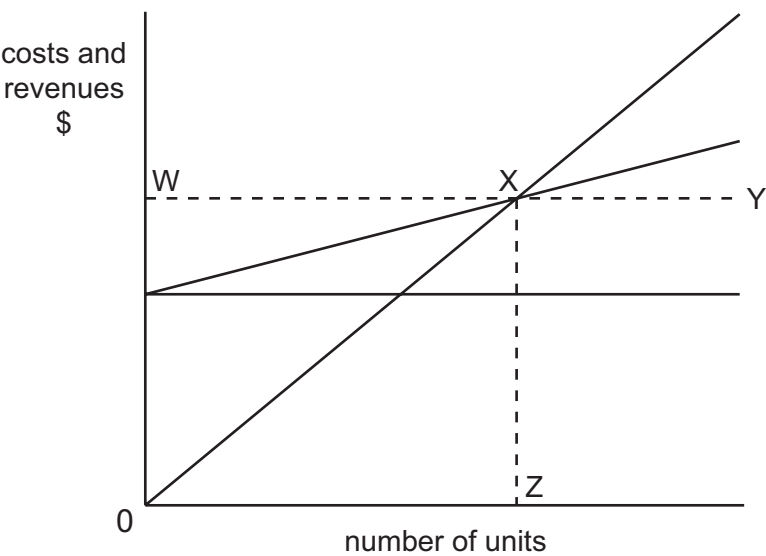


25 The diagram shows a break-even chart.



Which line represents the margin of safety?

- A WX

B WY

C XY

D XZ
- 26 Assuming all other factors remain unchanged, the break-even point of a business can be lowered by increasing its
- A budgeted sales

B fixed costs

C marginal costs

D selling prices
- 27 A company uses a predetermined direct labour rate of \$5.40 per hour to absorb production overhead. Each unit of product manufactured requires four direct labour hours.

The following information is available for a period.

actual production overhead	\$518 400
under-absorbed production overhead	\$32 400

What was the actual output of the product in the period?

- A 22 500 units

B 24 000 units

C 25 500 units

D 30 000 units