

29 A business has the following budgeted and actual results for a period.

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budgeted fixed overheads	354 000
actual fixed overheads	360 000
under-absorption of overheads	3 000

The fixed overheads are absorbed per unit.

The budgeted number of units were 118 000.

What is the actual level of activity in units?

- A** 118 000 **B** 119 000 **C** 120 000 **D** 121 000

30 What are the main purposes of budgeting?

- 1 to control expenditure
- 2 to forecast future expenditure
- 3 to determine company strategy

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