

**26** A business operated a staff canteen at a cost of \$12 000.

What is the most appropriate basis of apportioning this overhead cost?

- A** book value of canteen equipment
- B** direct labour hours
- C** floor area
- D** number of employees

**27** A business apportions some of its overhead expenses across its production departments.

Why might building maintenance costs **not** be included with the other overheads being apportioned?

- A** Building maintenance costs are fixed.
- B** Building maintenance is not necessary for production to take place.
- C** No suitable basis for apportionment can be found.
- D** They can be identified with specific cost centres.

**28** The following information is available for a business.

budgeted manufacturing overhead	\$234 000
budgeted direct labour hours	45 000
actual manufacturing overhead	\$243 600
actual direct labour hours	42 000

How much overhead was under or over absorbed?

- A** \$25 200 over absorbed
- B** \$25 200 under absorbed
- C** \$27 000 over absorbed
- D** \$27 000 under absorbed