

- 25** A company has received an order to supply 3000 pairs of safety glasses.

The costs of production are shown.

	\$
raw materials	975
packaging for 50 pairs	4.20
direct labour at \$8.00 per direct labour hour	800
order setting up costs	100
overhead absorption rate per direct labour hour	6.25

What is the cost of manufacturing this order?

- A** \$2552      **B** \$2652      **C** \$2710      **D** \$2752
- 26** How is break-even point in units calculated?
- A** fixed costs ÷ contribution per unit  
**B** fixed costs ÷ selling price per unit  
**C** fixed costs ÷ variable cost per unit  
**D** (sales – fixed costs) ÷ contribution per unit
- 27** A company manufactures and sells a single product. The following information is available about a unit of the product.

	\$
selling price	105
direct materials	45
direct labour	30

The supplier of direct materials has agreed to increase the trade discount from 10% to 20%.

What is the new contribution per unit?

- A** \$25.00      **B** \$25.50      **C** \$34.50      **D** \$35.00