

## PREVIEW QUESTION BANK

Module Name : cec24-cm03 Management Accounting-ENG  
Exam Date : 18-May-2024 Batch : 09:00-12:00

Sr. No.	Client Question ID	Question Body and Alternatives	Marks	Negative Marks
Objective Question				
1	10271001	<p>Profit Volume Ratio suggests _____</p> <ol style="list-style-type: none"> <li>1. Profit margin</li> <li>2. % of Fixed Cost to sales</li> <li>3. % of Contribution to Sales</li> <li>4. % of variable Expenses to sales</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
Objective Question				
2	10271002	<p>Profit = _____</p> <ol style="list-style-type: none"> <li>1. Sales - Variable Cost</li> <li>2. Sales - Fixed Cost</li> <li>3. Contribution + Fixed Cost</li> <li>4. Contribution - Fixed Cost</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
Objective Question				
3	10271003	<p>Contribution per unit is ₹. 5, Fixed Cost id ₹. 4,00,000. How many units should be manufactured and sold if the Company wants to earn profit of ₹. 1,00,000?</p> <ol style="list-style-type: none"> <li>1. 1,00,000 Units</li> <li>2. 80,000 Units</li> <li>3. 20,000 Units</li> <li>4. Can not be calculated from given information</li> </ol> <p>A1 : 1</p>	1.0	0.00

A2 : 2

A3 : 3

A4 : 4

Objective Question

4	10271004	<p>_____ accounting deals with analysis of financial performance of an entity for decision making</p> <ol style="list-style-type: none"> <li>1. Financial</li> <li>2. Cost</li> <li>3. Management</li> <li>4. Triple Entry</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

5	10271005	<p>Total Cost at 5,000 units is ₹. 70,000 and total cost at 8,000 units is ₹. 1,00,000. The variable cost per unit is _____</p> <ol style="list-style-type: none"> <li>1. ₹.10</li> <li>2. ₹. 14</li> <li>3. ₹. 12.5</li> <li>4. Can not be calculated from given information</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

6	10271006	<p>Total Cost at 5,000 units is ₹. 70,000 and total cost at 8,000 units is ₹. 1,00,000. The Fixed cost is _____</p> <ol style="list-style-type: none"> <li>1. ₹. 50,000</li> <li>2. ₹. 30,000</li> <li>3. ₹. 20,000</li> <li>4. ₹. 12,000</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p>	1.0	0.00
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A3 : 3

A4 : 4

Objective Question

7	10271007	<p>Material Cost Variance = _____</p> <ol style="list-style-type: none"> <li>1. Material Price variance - Material Usage variance</li> <li>2. Material Price variance + Material Usage variance</li> <li>3. Material Price variance x Material Usage variance</li> <li>4. Material Price variance / Material Usage variance</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

8	10271008	<p>Material Price Variance = _____</p> <ol style="list-style-type: none"> <li>1. (Standard Price - Actual Price) Standard Quantity</li> <li>2. (Actual Price - Standard Price) Standard Quantity</li> <li>3. (Standard Price - Actual Price) Actual Quantity</li> <li>4. (Standard Price + Actual Price) Standard Quantity</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

9	10271009	<p>Decision-making in management accounting is concered with _____</p> <ol style="list-style-type: none"> <li>1. Past</li> <li>2. Present</li> <li>3. Future</li> <li>4. Past and Present both</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p>	1.0	0.00
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A4 : 4

Objective Question

10	10271010	<p>The use of management accounting is _____</p> <ol style="list-style-type: none"> <li>1. Compulsory</li> <li>2. Optional</li> <li>3. Mandatory as per the law</li> <li>4. Compulsory for private companies</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

11	10271011	<p>Which of the following statements is true?</p> <ol style="list-style-type: none"> <li>1. Financial statements present financial results and financial position.</li> <li>2. Financial statements are also known as annual accounts.</li> <li>3. Financial statements are historic.</li> <li>4. All of the mentioned above.</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

12	10271012	<p>_____ Accounting becomes a source of information for Management Accounting.</p> <ol style="list-style-type: none"> <li>1. Financial</li> <li>2. Cost</li> <li>3. Human Resource</li> <li>4. Financial and Cost</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p>	1.0	0.00
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		A4 : 4		
Objective Question				
13	10271013	<p>Purpose of Management Accounting is _____</p> <ol style="list-style-type: none"> <li>1. to audit books of accounts.</li> <li>2. to help banks to make decisions.</li> <li>3. to help managers make decisions.</li> <li>4. to help investors make decisions.</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
Objective Question				
14	10271014	<p>Management accounting assists the management of _____.</p> <ol style="list-style-type: none"> <li>1. only control</li> <li>2. only direction</li> <li>3. only planning</li> <li>4. control, direction and planning</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
Objective Question				
15	10271015	<p>Role of Management accounting does not include _____.</p> <ol style="list-style-type: none"> <li>1. planning</li> <li>2. decision making</li> <li>3. presentation and analysis of Financial and Cost data</li> <li>4. procuring funds</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00

Objective Question

16	10271016	<p>Ratio Analysis is based on information of _____.</p> <ol style="list-style-type: none"> <li>1. Cost Accounting</li> <li>2. Management Accounting</li> <li>3. Financial Accounting</li> <li>4. Directors' Report</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

17	10271017	<p>Which technique of costing is largely used in the gold jewellery industry?</p> <ol style="list-style-type: none"> <li>1. Contract</li> <li>2. Batch</li> <li>3. Job</li> <li>4. Process</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

18	10271018	<p>Which technique of costing is used in the transportation industry?</p> <ol style="list-style-type: none"> <li>1. Batch</li> <li>2. Job</li> <li>3. Contract</li> <li>4. Operating</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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## Objective Question

19	10271019	<p>Which technique of costing is used in the pharmaceutical industry?</p> <ol style="list-style-type: none"> <li>1. Contract</li> <li>2. Job</li> <li>3. Batch</li> <li>4. Process</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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## Objective Question

20	10271020	<p>Canteen expenses incurred by a factory are apportioned in the ratio of _____.</p> <ol style="list-style-type: none"> <li>1. direct wages</li> <li>2. equally</li> <li>3. number of employees in each department</li> <li>4. indirect wages</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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## Objective Question

21	10271021	<p>_____ are assumed to change in direct proportion to changes in volume/output, while the unit cost remains constant.</p> <ol style="list-style-type: none"> <li>1. Fixed costs</li> <li>2. Semi Variable Costs</li> <li>3. Variable Costs</li> <li>4. Overheads</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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## Objective Question

22	10271022		1.0	0.00
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\_\_\_\_\_ is based on the principle of predetermination of costs and achieving these cost levels so that inefficiencies and wastages may be reduced.

1. Cost control
2. Cost Reduction
3. Marginal Costing
4. Cost Management

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

23 10271023

\_\_\_\_\_ is not a technique of inventory control.

1. ABC analysis
2. EOQ
3. Reorder Point
4. Ratio Analysis

A1 : 1

A2 : 2

A3 : 3

A4 : 4

1.0 0.00

Objective Question

24 10271024

Cost reduction aims at cost savings by affecting economies in costs by \_\_\_\_\_.

1. reducing expenditure
2. increasing productivity
3. increasing revenue
4. reducing expenditure and increasing productivity

A1 : 1

A2 : 2

A3 : 3

A4 : 4

1.0 0.00

Objective Question

25 10271025

1.0 0.00



Budgeting acts as a friend, philosopher and guide to the \_\_\_\_\_.

- 1. management
- 2. shareholder
- 3. creditor
- 4. employee

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

26	10271026		1.0	0.00
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Operating Budget, Finance Budget and Master Budget are the classifications of budget based on \_\_\_\_\_.

- 1. time
- 2. function
- 3. product
- 4. industry

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

27	10271027		1.0	0.00
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\_\_\_\_\_ is a budget prepared by the production manager, showing the forecast of output.

- 1. Sales budget
- 2. Production budget
- 3. Purchase budget
- 4. Master budget

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

28	10271028		1.0	0.00
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		_____ Budget focuses on the expected amount of manufacturing cost that will be incurred for the budgeted level of activity.		
		<ol style="list-style-type: none"> <li>1. Distribution Expenses</li> <li>2. Manufacturing Overhead</li> <li>3. Total cost</li> <li>4. Master</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		

Objective Question

29	10271029	Master Budget is a summary of _____.	1.0	0.00
		<ol style="list-style-type: none"> <li>1. All functional budgets showing the overall position of the budgets</li> <li>2. All estimated cash receipts and cash payments during the budgeted period.</li> <li>3. Estimated Purchase of material in order to reach the budgeted output.</li> <li>4. Estimated selling and distribution expenses during the budgeted period.</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		

Objective Question

30	10271030	A company manufacturing air coolers for the summer season will prepare _____.	1.0	0.00
		<ol style="list-style-type: none"> <li>1. fixed budget</li> <li>2. flexible budget</li> <li>3. semi variable budget</li> <li>4. current budget</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		

Objective Question

31	10271031		1.0	0.00
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\_\_\_\_\_ expenses are period cost

- 1. Variable
- 2. Fixed
- 3. Semi – Variable
- 4. All of the above mentioned

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

32 10271032

1.0 0.00

\_\_\_\_\_ budget is prepared on the basis of fixed and variable expenses.

- 1. Fixed
- 2. Variable
- 3. Flexible
- 4. Current

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

33 10271033

1.0 0.00

Generally, functional budgets are prepared on the basis of \_\_\_\_\_

- 1. Previous budget
- 2. Actual performance
- 3. Zero base
- 4. Previous budget and actual performance both

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

34 10271034

1.0 0.00

		_____ is taken as base for preparing Zero Based Budgeting		
		<ol style="list-style-type: none"> <li>1. Previous budget</li> <li>2. Actual performance</li> <li>3. Zero</li> <li>4. Programme budgeting and performance budgeting both</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		

Objective Question

35	10271035	_____ involves establishment of functional budgets and their integration into a master budget.	1.0	0.00
		<ol style="list-style-type: none"> <li>1. Traditional budgeting</li> <li>2. Programme budgeting</li> <li>3. Performance budgeting</li> <li>4. Programme budgeting and performance budgeting both</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		

Objective Question

36	10271036	Zero-based budgeting was developed in _____.	1.0	0.00
		<ol style="list-style-type: none"> <li>1. Japan</li> <li>2. USA</li> <li>3. UK</li> <li>4. India</li> </ol>		
		A1 : 1		
		A2 : 2		
		A3 : 3		
		A4 : 4		

Objective Question

37	10271037		1.0	0.00
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\_\_\_\_\_ budgeting works well in profit oriented organizations

1. Traditional
2. Programme
3. Performance
4. Programme and performance both

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

38	10271038	<p>In the case of _____ output indicators are to be developed because output cannot be measured in monetary terms.</p> <ol style="list-style-type: none"> <li>1. Non profit Organizations</li> <li>2. Profit Organizations</li> <li>3. Service Organizations</li> <li>4. Government Organizations</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

39	10271039	<p>Programme budgeting was first evolved in _____.</p> <ol style="list-style-type: none"> <li>1. United States</li> <li>2. Japan</li> <li>3. France</li> <li>4. India</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

40	10271040		1.0	0.00
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\_\_\_\_\_ sets out the responsibilities of the various executives concerned with the budgeting systems.

- 1. Budget order
- 2. Budget manual
- 3. Budget period
- 4. Budget Index

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

41	10271041	<p>Both the standard cost and the estimated cost are _____</p> <ul style="list-style-type: none"> <li>1. Historical cost</li> <li>2. Pre-determined cost</li> <li>3. Actual cost</li> <li>4. Imputed cost</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

42	10271042	<p>Standard cost is calculated before _____.</p> <ul style="list-style-type: none"> <li>1. Sales of the product</li> <li>2. Packing the product</li> <li>3. Planning the product design</li> <li>4. Actual production starts</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

43	10271043		1.0	0.00
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The standard costing helps management to which important function?

- 1. Cost reduction
- 2. Cost planning
- 3. Allocation of Overhead
- 4. Apportionment of Overhead

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

44	10271044		1.0	0.00
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Standard costing system can be easily applied to which of the following methods of costing?

- 1. Contract Costing
- 2. Job Costing
- 3. Operating Costing
- 4. Process Costing

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

45	10271045		1.0	0.00
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In standard costing, variances are usually revealed through \_\_\_\_\_.

- 1. Financial Statements
- 2. Observations
- 3. Analysis
- 4. Journal

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

46	10271046		1.0	0.00
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The standard cost aims to \_\_\_\_\_

1. Which level of operations to be achieved
2. Which level of efficiency to be attained
3. Which level of volume expected
4. What the cost should be

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

47	10271047	<p>If actual material cost is ₹ 4 per unit for 500 units and standard material cost is ₹ 6 per unit for 600 units, the Material Cost Variance is _____</p> <ol style="list-style-type: none"> <li>1. ₹ 1,000 (F)</li> <li>2. ₹ 600 (A)</li> <li>3. ₹ 1,600 (F)</li> <li>4. ₹ 1,600(A)</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

48	10271048	<p>If actual material cost is ₹ 4 per unit for 500 units and standard material cost is ₹ 6 per unit for 600 units, the Material Price Variance is _____.</p> <ol style="list-style-type: none"> <li>1. ₹ 1,000 (F)</li> <li>2. ₹ 1,000 (A)</li> <li>3. ₹ 1,200 (F)</li> <li>4. ₹ 1,200 (A)</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question



49	10271049	<p>If actual material cost is ₹ 4 per unit for 500 units and standard material cost is ₹ 6 per unit for 600 units, the Material Usage Variance is _____.</p> <p>1. ₹ 400 (F) 2. ₹ 400 (A) 3. ₹ 600 (F) 4. ₹ 600 (A)</p> <p>A1 : 1 A2 : 2 A3 : 3 A4 : 4</p>	1.0	0.00
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## Objective Question

50	10271050	<p>MPV + MUV = _____</p> <p>1. MMV 2. MCV 3. MYV 4. MSUV</p> <p>A1 : 1 A2 : 2 A3 : 3 A4 : 4</p>	1.0	0.00
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## Objective Question

51	10271051	<p>Labour Rate variance + Labour Efficiency variance = _____</p> <p>1. Labour Cost Variance 2. Labour Mix Variance 3. Labour Yield Variance 4. Idle Time Variance</p> <p>A1 : 1 A2 : 2 A3 : 3 A4 : 4</p>	1.0	0.00
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## Objective Question

52	10271052		1.0	0.00
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If standard hours are 350 @ ₹2 per hour and actual hours are 400 @ ₹1.5 per hour, the Labour Cost Variance is \_\_\_\_\_.

1. ₹ 100 (A)
2. ₹ 75 (F)
3. ₹ 87.5 (A)
4. ₹ 100 (F)

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

53	10271053	<p>If standard hours are 350 @ ₹2 per hour and actual hours are 400 @ ₹1.5 per hour, the Labour Rate Variance is _____.</p> <ol style="list-style-type: none"> <li>1. 175 (A)</li> <li>2. 175 (F)</li> <li>3. 200 (A)</li> <li>4. 200 (F)</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

54	10271054	<p>If standard hours are 350 @ ₹2 per hour and actual hours are 400 @ ₹1.5 per hour, the Labour Efficiency Variance is _____.</p> <ol style="list-style-type: none"> <li>1. 100 (A)</li> <li>2. 100 (F)</li> <li>3. 75 (A)</li> <li>4. 75 (F)</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

55	10271055		1.0	0.00
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The difference between budgeted overhead and actual overhead is \_\_\_\_\_.

1. Overhead efficiency variance
2. Overhead cost variance
3. Overhead volume variance
4. Fixed overhead expenditure variance

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

56 10271056

The difference between absorbed overhead and actual overhead is \_\_\_\_\_.

1. Overhead efficiency variance
2. Overhead cost variance
3. Overhead volume variance
4. Overhead capacity variance

A1 : 1

A2 : 2

A3 : 3

A4 : 4

1.0 0.00

Objective Question

57 10271057

Overhead budget variance is ₹2,000 (A), volume variance is ₹500 (F) and capacity variance is ₹1,000 (F). Fixed overhead cost variance is equal to \_\_\_\_\_.

1. ₹1,500 (A)
2. ₹ 500 (A)
3. ₹1,000 (A)
4. ₹ 1,000 (F)

A1 : 1

A2 : 2

A3 : 3

A4 : 4

1.0 0.00

Objective Question

58 10271058

1.0 0.00

Variable overhead budget variance is ₹700 (A), and overhead efficiency variance is ₹300 (F). What is the amount of overhead cost variance?

1. ₹450 (F)
2. ₹400 (A)
3. ₹300 (A)
4. ₹250 (A)

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

59	10271059	<p>Sales Margin Price Variance is the difference between _____.</p> <ol style="list-style-type: none"> <li>1. Actual profit and Budgeted Profit</li> <li>2. Actual Profit and Standard Profit</li> <li>3. Standard Profit and Budgeted Profit</li> <li>4. None of the above mentioned</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

60	10271060	<p>Sales margin variance (total) is the difference between _____.</p> <ol style="list-style-type: none"> <li>1. Budgeted Sales and Actual Sales</li> <li>2. Budgeted Sales price and Actual Sale Price</li> <li>3. Budgeted Profit and Actual Profit</li> <li>4. Budgeted Profit and Standard Profit</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

61	10271061		1.0	0.00
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		<p>The difference between revised standard sales and standard sales results in _____.</p> <ol style="list-style-type: none"> <li>1. Sales Quantity Variance</li> <li>2. Sales Mix Variance</li> <li>3. Sales Volume Variance</li> <li>4. Sales Price Variance</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>		
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Objective Question

62	10271062	<p>The difference between standard profit and actual profit is _____.</p> <ol style="list-style-type: none"> <li>1. Sales Margin Price Variance</li> <li>2. Sales Margin Volume Variance</li> <li>3. Net Profit Variance</li> <li>4. Either sales Margin Price Variance or Sales Margin</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

63	10271063	<p>All variances are transferred to _____.</p> <ol style="list-style-type: none"> <li>1. Balance sheet</li> <li>2. Work-in-Progress Account</li> <li>3. Profit and Loss Account</li> <li>4. Trading Account</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

64	10271064		1.0	0.00
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Under Single Plan Method, Work-in-Progress Account is always at \_\_\_\_\_.

- 1. Standard Cost
- 2. Actual Cost
- 3. Historical Cost
- 4. Opportunity Cost

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

65 10271065

Under Single Plan Method Material Price Variances is calculated at the \_\_\_\_\_.

- 1. point of purchase
- 2. point of issue of material
- 3. point of consumption
- 4. point of sale

A1 : 1

A2 : 2

A3 : 3

A4 : 4

1.0 0.00

Objective Question

66 10271066

Under the single Plan Method, the Finished Goods Ledger Control Account is prepared at which price?

- 1. Actual Cost
- 2. Standard Cost
- 3. Historical Cost
- 4. Opportunity Cost

A1 : 1

A2 : 2

A3 : 3

A4 : 4

1.0 0.00

Objective Question

67 10271067

1.0 0.00

Variable cost is also known as \_\_\_\_\_.

- 1. marginal cost
- 2. fixed cost
- 3. total cost
- 4. absorption cost

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

68	10271068	<p>The costing method under which fixed factory overheads are considered for the valuation of inventory is _____.</p> <ul style="list-style-type: none"> <li>1. marginal costing</li> <li>2. direct costing</li> <li>3. absorption costing</li> <li>4. standard costing</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

69	10271069	<p>Sales-variable Cost is equal to _____.</p> <ul style="list-style-type: none"> <li>1. Profit</li> <li>2. Fixed cost</li> <li>3. Contribution</li> <li>4. Margin of Safety</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

70	10271070		1.0	0.00
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\_\_\_\_\_ costs remain the same in total amount irrespective of the change in output.

- 1. Variable
- 2. Fixed
- 3. Semi variable
- 4. Fixed and Variable

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

71	10271071	<p>Under marginal costing, changes in profit equals to change in _____.</p> <ul style="list-style-type: none"> <li>1. Fixed Cost</li> <li>2. Variable Cost</li> <li>3. Contribution</li> <li>4. Sales</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

72	10271072	<p>Absorption costing includes _____ costs.</p> <ul style="list-style-type: none"> <li>1. Fixed</li> <li>2. Variable</li> <li>3. Fixed and Variable</li> <li>4. None of the above mentioned</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

73	10271073		1.0	0.00
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Fied overheads are \_\_\_\_\_ costs.

- 1. Period
- 2. Product
- 3. Direct
- 4. Period and product

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

74	10271074	<p>What distinguishes absorption costing and variable costing?</p> <ul style="list-style-type: none"> <li>1. Product costs include both production and non-production costs.</li> <li>2. Stock valuation includes a share of production costs.</li> <li>3. Stock valuation includes a share of all costs.</li> <li>4. Stock valuation includes a share of period costs.</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

75	10271075	<p>The Profit under absorption and marginal costing remain the same when production is _____ sales.</p> <ul style="list-style-type: none"> <li>1. more than</li> <li>2. equal to</li> <li>3. less than</li> <li>4. more or less than</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

76	10271076		1.0	0.00
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All factory costs are treated as \_\_\_\_\_ costs while all administrative costs are treated as \_\_\_\_\_ costs.

- 1. period, product
- 2. product, period
- 3. fixed, period
- 4. period, fixed

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

77	10271077		1.0	0.00
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The point of no profit, no loss is \_\_\_\_\_.

- 1. Breakeven Point
- 2. Contribution
- 3. Total revenue
- 4. Fixed cost

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

78	10271078		1.0	0.00
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The difference between sales and contribution is \_\_\_\_\_.

- 1. Fixed Cost
- 2. Profit
- 3. Variable Cost
- 4. Loss

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

79	10271079		1.0	0.00
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Which equation is correct?

1. Profit = Sales – Variable cost – Fixed cost
2. Profit = Sales + Variable cost – Fixed cost
3. Profit = Sales – Variable cost + Fixed cost
4. Profit = Sales + Variable cost + Fixed cost

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

80	10271080	When sales volume increases, which statement is not correct?	1.0	0.00
<ol style="list-style-type: none"> <li>1. Breakeven point increases</li> <li>2. Total cost increases</li> <li>3. Total profit increases</li> <li>4. Total Contribution increases</li> </ol>				
<p>A1 : 1</p>				
<p>A2 : 2</p>				
<p>A3 : 3</p>				
<p>A4 : 4</p>				

Objective Question

81	10271081	_____ is not an assumption under CVP analysis.	1.0	0.00
<ol style="list-style-type: none"> <li>1. All costs are segregated into either fixed or variable costs.</li> <li>2. Fixed costs will remain constant at all levels of activities.</li> <li>3. Variable cost per unit and selling price per unit will remain same.</li> <li>4. There is no closing stock.</li> </ol>				
<p>A1 : 1</p>				
<p>A2 : 2</p>				
<p>A3 : 3</p>				
<p>A4 : 4</p>				

Objective Question

82	10271082		1.0	0.00
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The breakeven point occurs at 24,000 units while actual sales are 40,000 units. The margin of safety expressed in percentage is \_\_\_\_\_.

- 1. 40%
- 2. 60%
- 3. 66.67%
- 4. 100%

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

83	10271083	<p>A _____ indicates that the company is making profits at a higher rate</p> <ul style="list-style-type: none"> <li>1. large angle of incidence</li> <li>2. mall angle of incidence</li> <li>3. negative angle of incidence</li> <li>4. large and Small angle of incidence</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

84	10271084	<p>CVP analysis is an extension of _____.</p> <ul style="list-style-type: none"> <li>1. Output-Input analysis</li> <li>2. Marginal Costing</li> <li>3. Sensitivity analysis</li> <li>4. Standard Costing</li> </ul> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

85	10271085		1.0	0.00
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The break-even point will reduce when \_\_\_\_\_

1. Selling Price increases
2. Selling price decreases
3. Variable cost increases
4. Fixed cost decreases

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

86	10271086		1.0	0.00
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\_\_\_\_\_ is the accounting system of charging variable costs to cost units.

1. Marginal costing
2. Absorption costing
3. Cost control
4. Cost reduction

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

87	10271087		1.0	0.00
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\_\_\_\_\_ assigns fixed overheads to work-in-progress and finished goods inventories.

1. Marginal costing
2. Absorption costing
3. Variable costing
4. Standard Costing

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

88	10271088		1.0	0.00
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When a limiting factor is material, the basis of ranking products is \_\_\_\_\_.

1. Units produced and sold
2. Units sold
3. Contribution by each product
4. Contribution per kg. of Material

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

89	10271089	<p>Information gathered from past decisions may affect all of the following except _____.</p> <ol style="list-style-type: none"> <li>1. future production</li> <li>2. production method</li> <li>3. hiring and firing policies</li> <li>4. decisions model</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

90	10271090	<p>Managers must determine which products should be emphasized when the plant is operating at full capacity. This is known as _____.</p> <ol style="list-style-type: none"> <li>1. individual product decision</li> <li>2. production scheduling analysis</li> <li>3. product-mix decision</li> <li>4. short-run focus decision</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

91	10271091		1.0	0.00
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Which of the following would not be considered in a make or buy decision?

1. Potential use of manufacturing capacity.
2. Variable costs of production.
3. Potential rental income from space occupied by production area.
4. Unchanged fixed costs.

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

92	10271092	Differential cost analysis helps decisions such as _____.  1. make or buy 2. closure of business 3. expansion of business 4. None of the above mentioned  A1 : 1  A2 : 2  A3 : 3  A4 : 4	1.0	0.00
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Objective Question

93	10271093	Accounting costs are different from which of the following?  1. decision making costs 2. relevant costs 3. shut down costs 4. none of the above mentioned  A1 : 1  A2 : 2  A3 : 3  A4 : 4	1.0	0.00
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Objective Question

94	10271094		1.0	0.00
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Which costs are considered for deciding to accept or reject an order?

1. Only differential cost.
2. Only relevant cost.
3. Only variable cost.
4. Differential, relevant and variable costs

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

95	10271095	<p>For accepting an export order, over and above the profitability, one should also consider _____.</p> <ol style="list-style-type: none"> <li>1. idle capacity of the plant</li> <li>2. availability of resources</li> <li>3. no dumping back of the goods</li> <li>4. the budgets</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

96	10271096	<p>Is depreciation allowed on a replacement cost basis for price fixation?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> <li>3. Depends on the actual circumstances</li> <li>4. Depends on management decision</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

97	10271097		1.0	0.00
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In differential cost analysis \_\_\_\_\_.

1. costs are presented based on absorption costing
2. costs are obtained by subtracting the costs at one level from those at a higher level
3. differential costs are compared with incremental revenues for many decisions
4. All of the the mentioned above

A1 : 1

A2 : 2

A3 : 3

A4 : 4

Objective Question

98	10271098	<p>Which of the following costs is more effective for the decision of profit planning?</p> <ol style="list-style-type: none"> <li>1. Opportunity costs</li> <li>2. Sunk costs</li> <li>3. Differential costs</li> <li>4. Opportunity and sunk</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

99	10271099	<p>Which of the following costs is more effective for customer profitability?</p> <ol style="list-style-type: none"> <li>1. Marginal cost</li> <li>2. Absorption cost</li> <li>3. Historical cost</li> <li>4. Opportunity cost</li> </ol> <p>A1 : 1</p> <p>A2 : 2</p> <p>A3 : 3</p> <p>A4 : 4</p>	1.0	0.00
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Objective Question

100	10271100		1.0	0.00
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Which of the following combinations of the costs is more effective for profit planning?

1. Differential cost and Relevant cost
2. Absorption cost and Marginal cost
3. Sunk cost and shut down
4. Variable and Fixed cost

A1 : 1

A2 : 2

A3 : 3

A4 : 4