

TYBAF SEMESTER 6
STUDY MATERIAL

SR. NO	QUESTION TEXT	OPTION 1	OPTION 2	OPTION 3	OPTION 4	CORRECT OPTION
1	Button used in a textile mill is an example of _____	Direct cost	Indirect Cost	Total cost	No Included in cost sheet	2
2	Advertisement expenses is an example of _____	Distribution overhead	Production overhead	Selling overhead	Factory Overheads	3
3	Profit divided by P/V Ratio is _____	BEP	MOS	P/V Ratio	Actual Sales	2
4	Audit fee is part of _____	Works cost	Distribution overheads	Selling overheads	Administration overheads.	4
5	The Marginal Cost Statement	Shows the gross profit	Is sent to the shareholders	Shows calculation of costs are direct and indirect	Can be used to predict future profits at different levels of activity	4
6	CVP analysis requires costs to be categorised as	Fixed or variable	Direct or indirect	Product or period	Standard or actual	1
7	In a Break – even chart _____ is indicated.	Fixed Cost	Sales	Variable Cost	Labour	1
8	Delivery van is which type of cost	Administration Expenses	Selling Expenses	Factory Expenses	No Included in cost sheet	2
9	Standards are _____ prior to the actual performance	Compared	Pre-determined	Controlled	Analyzed	3

10	A standard which is estimated or unaltered for an indefinite period is called	Basic Standard	Ideal Standard	Expected Standard	Cost Standard	1
11	Contribution is equal to	Fixed cost + profit	Sales – fixed cost	Fixed cost – variable cost	Sales – loss	1
12	CPU stands for _____	Cost Profit Unit	Cost per unit	Central Processing Unit	Controlling Profit University	2
13	Which of the following person is directly associated with Cost Accounting	Finance Manager	Financial Accountant	Auditor	Cost Accountant	4
14	Sales – Gross Profit = _____	Net Profit	Cost of Production	Administrative expenses	Cost of goods sold	4
15	Opening stock + Purchases + Direct Expenses – Closing stock = _____	Net Profit	Administration expenses	Cost of Production	Cost of Goods sold	4
16	At the break-even point, which equation will be true.	Variable cost – fixed cost = contribution	Sales = variable cost + fixed cost	Sales – fixed cost = contribution	Sales – contribution = variable cost	2
17	Variance analysis is done in _____	Marginal costing	standard costing	budgetary control	cost sheet	2
18	_____ expenses are not recorded in Cost Accounts	Office	Financial	Direct	Establishment	2
19	When selling price decreases, the break-even point	Increases	Decreases	No effect	Can't say	1
20	The term “standard hours allowed” measures	Budgeted output at actual hours	Budgeted output at standard hours	Actual output at standard hours	Actual output at actual hours	3

21	Production, Administration, and Selling and Distribution costs are classification of costs based on _____.	Behaviour	Traceability	Actuals	Functions	4
22	_____ is a process of accounting for cost.	Auditing	Financial Accounting	Cost Accounting	Management Accounting	3
23	Which of the following describes the margin of safety?	Actual contribution margin achieved compared with that required to break-even	Actual sales compared with sales required to break-even	Actual versus budgeted net profit margin	Actual versus budgeted sales	2
24	Margin of safety is expressed as	Profit/ PV Ratio	Sales at BEP-Actual Sales	Actual Sales * Sales at BEP	Sales – fixed cost	2
25	Under which of the following cases the margin of safety decreases?	Reduction in fixed cost	Increase in variable cost	Increase in the level of production or selling price or both	Change in the sales mix in order to increase the contribution	2
26	product is Rs.4,50,000 which include fixed cost of Rs.2,50,000.Selling price Rs.100 per unit, then the total Profit will be	Rs.1,27,778	Rs.2,20,000	Rs.1,50,000	Rs.95,000	3
27	Cost which remains unaffected even though there is change in the level of output.	Variable Cost	Fixed Cost	Works Cost	Non-cash cost	2
28	The cost of _____ cost centers are to be Distribution to production cost center.	Service	Manufacturing	Factory	Selling	2
29	A standard cost system may be used in	Job order costing, but not process costing	Process costing, but not job order costing	Either job order costing or process costing	Neither job order costing nor process costing	3
30	Carriage outward is an example of	Selling & Distribution	Works	Factory	Direct Cost	1
31	Discount is an example of _____	Selling & Distribution	works	Office	Financial Item	4

32	Depreciation is which cost _____	Fixed	Variable	Semi-Variable	Selling	1
33	A standard cost is	The total amount that appears on the budget for product costs	is calculated from management's standards of efficient operation	The total number of units x the cost expected	Any amount that appears on a budget	4
34	Which of the following items is included in cost accounts	Notional Rent	Rent receivables	Transfer to general reserves	Prime Cost	4
35	Prime cost is also termed as _____	Indirect cost	Direct cost	Factory cost	Overheads	2
36	Costs that can be traced to a particular department are called _____	Manufacturing costs	Product costs	Direct costs	Period Costs	2
37	As the units manufactured decreases total fixed cost _____	Remains Constant	Increases	Decreases	Reduces by one-half	1
38	As the units manufactured decreases, variable cost per unit	Remains constant	Increases	Decreases	Reduces by one-third	3
39	Variance analysis is possible in _____	Budgetary Control	Marginal Costing	Cost Sheet Analysis	Standard Costing	4
40	A standard which assumes efficient level of operations, but which includes allowance for factors such as waste and machine downtime is known as an	Ideal standard	Normal standard	Attainable standard	Non-attainable standard	3
41	The aggregate of _____ costs is termed as overheads	Indirect	Direct	Cash	Total	1
42	Semi-Variable Cost is a type of cost classification based on _____	Manufacturing Function-Wise	Variability	Non-Controllable	Traceability	1

43	What standard is based on the assumptions of most favourable conditions possible?	Ideal Standard	Normal Standard	Expected Standard	Attainable Standard	1
44	Match the pair -Master Budget	Not Controllable in short run	Cubic Foot	Necessary for all business	Fixed cost	3
45	The standard cost card contains quantities and costs for	Direct material only	Direct labour only	Direct material and direct labour only	Direct material, direct labour and overhead	4
46	Match the pair - Interest Income	Prepared Budgets for sales, Production etc.	Financial Books	Prime Cost	Cost can be traced here	2
47	If standard cost is lower than the actual cost, the difference is known as	Favourable	Adverse	Positive	Negative	2
48	The difference between the actual price and the standard price, multiplied by the actual quantity of materials purchased is the	Materials cost variance	Materials usage variance	Materials price variance	Materials efficiency variance	2
49	Match the pair -Apportionment	Return on capital employed	Distribution	Necessary for all business	Deviation from Standard Cost	2
50	Match the pair -Variance	No Profit-No Loss	Not Controllable in short run	Profit path of product	Deviation from Standard Cost	4
51	Match the pair - Apportionment	Distribution	Indirect costs	Indirect Selling cost	Direct materials + Direct wages + Direct Expenses	1
52	Match the pair -Fixed Cost	Necessary for all business	Deviation from Standard Cost	Not Controllable in short run	Distribution	3
53	Match the pair - Overheads	Indirect costs	Direct materials + Direct wages + Direct Expenses	Total cost – Selling & Distribution overheads	Distribution	1

54	Match the pair - Depreciation of plant and machinery	Indirect Selling cost	factory overheads	Opening stock of material + Material purchased – closing stock of material	Factory cost + Office & administration overheads	2
55	Match the pair - Prime Cost	Opening stock of material + Material purchased – closing stock of material	Direct materials + Direct wages + Direct Expenses	Indirect costs	factory overheads	2
56	Match the pair - Budget for all department	Master Budget	Cost in ideal condition	No Profit-No Loss	Financial Books	1
57	Match the pair - Unproductive Labour	Tone of Mineral	Supervisor’s wages	Cost in ideal condition	Financial Books	2
58	Match the pair - Cost of Goods Sold	No Profit-No Loss	Relationship between profit & sales	Total cost (-) Selling & Distribution overheads	Master Budget	3
59	Match the pair - No Profit No Loss	Deviation from Standard Cost	BEP	Important for decision making	Necessary for all business	2
60	Match the pair - Factory Rent	Distribution overhead	Factory Overheads	Selling overhead	Production overhead	2