

MULTIPLE CHOICE QUESTIONS FOR MCOM - (MC4C15)**COST MANAGEMENT**

1. Marginal costing is concerned with;

- a. Fixed cost
- b. variable cost
- c. semi fixed
- d. None of these

2. Cost unit is used for

- a. cost control
- b. cost reduction
- c. ascertainment of cost
- d. None of these

3. Pareto's law is concerned with;

- a. ABC analysis
- b. VED analysis
- c. JIT
- d. FSND analysis

4. Over head is an aggregate all costs

- a. Indirect cost
- b. direct cost
- c. material cost
- d. all of the above

5. Bad debts are treated as part of

- a. selling overhead
- b. factory overhead
- c. office overhead
- d. any of the above

6. Unit costing is a?

- a. technique
- b. method
- c. quotation
- d. tender

7. Which method of costing is used where the job is large and is of long duration;

- a. process costing
- b. batch costing
- c. job costing
- d. contract costing

8. Abnormal process loss is transferred to.....

- a. balance sheet
- b. costing P/L account
- c. Nominal a/c
- d. none of the above

9. Master budget is the summary of :

- a. cash budget
- b. sales budget
- c. production budget
- d. All functional budget

10. Difference between standard cost & actual cost is known as:

- a. Profit
- b. loss
- c. differential cost
- d. variance

11. In an activity based costing implementation, products diverse demand is based on

- a. batch size
- b. complexity
- c. process steps
- d. all of above

12. The following is also known as overhead costs or on costs

- a. cost of direct labour
- b. cost of indirect labour
- c. direct expenses
- d. indirect expenses

13. Which of the following calculate the actual cost of a product;

- a. cost estimation
- b. costing
- c. both a & b
- d. none of the above

14. costing is a type of job costing?

- a. multiple
- b. operating
- c. unit
- d. batch

15. The following cost helps in taking 'make or buy' decision

- a. standard cost
- b. marginal cost
- c. differential cost
- d. sunk cost

Answer key

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
b	c	a	a	c	b	b	b	d	d	d	d	b	c	c