

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