

OMBC103: Assignment & Self Assessment

Qns

1. Which year the term management accounting was first coined in

- a. 1950**
- b. 1945
- c. 1955
- d. 1960

2. _____ as those rules of action or conduct which are adopted by the accountants universally while recording accounting transactions.

- a. Accounting Principles**
- b. Accounting conventions
- c. Both
- d. Accounting practice

3. Why are goods sold on credit

- a. Asset increase
- b. Asset decrease
- c. One asset increase and other asset decrease
- d. Increase in sales**

4. As per company's Act 1956 all companies must maintain their accounts on basis of :

- a. Accrual method
- b. Accrual and double entry**

- c. double entry
- d. single entry

5. Which of the following cost is also known as overhead cost or on cost:

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

6. ABC analysis is used in

- a. CPM
- b. PERT
- c. Inventory control**
- d. Receiveables management

7. Which of the following is a conventional method of ascertaining cost?

- a. Absorption costing
- b. Full costing
- c. Both a & b**
- d. contract costing

8. What does the term contribution refers to

- a. The difference between selling price and fixed cost
- b. The difference between selling price and variable cost**
- c. loss
- d. profit

9. What is the primary purpose of using a standard cost system is

- a. to make things easier for managers in the production facility

b. to provide a distinct measures of cost control

- c. to minimize the cost per unit of production
- d. b and c are correct

10. What is a budget is a plan of action expressed in...

- a. Financial terms
- b. Non-financial terms

c. Both

- d. Subjective matter

11. Name the use of management accounting is**a. Optional**

- b. Compulsory
- c. Legally Obligatory
- d. Compulsory to some and optional to others

12. Choose the option where will the entry :Furniture purchased by cheque

- a. One asset increase
- b. one asset increase and other asset decrease**
- c. Income of Co.
- d. Expenses of Co.

13. Relate how ABC analysis divides an organization's on-hand inventory into three classes based upon**a. annual dollar volume**

- b. the number of units on hand
- c. unit price
- d. annual demand

14. What does the standard cost card contains quantities and costs for

- a. direct material only
- b. direct labour only
- c. direct material and direct labour only
- d. direct material, direct labour and overhead**

15. A man who is involved in the process of book keeping and accounting is called a/an

.....

- a. Accountant**
- b. Finance manager
- c. Data entry operator
- d. Finance head

16. _____ are broad general assumptions which underline the periodic financial statements of business enterprises.

- a. Accounting concept**
- b. Accounting Conventions
- c. Accounting Principles
- d. Accounting Practice

17. _____ is a common base for preparing a trial balance

- a. Ledger accounts**
- b. General Journal
- c. Specialized Journal
- d. Balance Sheet

18. All costs are classified under _____ segments under absorption costing.

- a. Five
- b. Six

c. Four

d. Three

19. _____ indicates the extent of which the sales can be reduced without resulting in loss.

a. BEP

b. Key Factor

c. Contribution

d. Margin of safety

20. The standard predominantly used in Western cultures for motivational purposes is a(n) _____ standard.

a. expected annual

b. ideal

c. practical

d. theoretical

**21. For segment reporting segment should be identified on basis of -----and -
-----.**

a. Risk and Return

b. Investment and return

c. capital invested and risk

d. profit loss

22. All factory costs are treated as _____ while all administration costs are treated as _____.

a. Product cost, period costs

b. period costs, product costs

- c. fixed costs, period costs
- d. period costs, fixed costs

23. Format of management accounting reports is tailor made as per requirements of management.

- a. True
- b. False**

24. Accounting equation may not hold for every transaction

- a. True
- b. False**

25. Auditor's Report is a part of Annual Report

- a. True**
- b. False

26. Resource sacrificed or forgone to achieve specific objective is called as Cost

- a. True**
- b. False

27. Pricing of issue of materials is closely connected with the actual physical movements of units of material.

- a. True**
- b. False

28. Allocation means charging overheads to particular product, process, or activity.

- a. True**
- b. False

29. Specifications for materials are compiled on a bill of materials.

a. True

b. False

30. Financial Accounting is governed by statutory framework.

a. True

b. False

| Question | Option 1 | Option 2 | Option 3 | Option 4 | Answers |
|---|---|------------------------------------|--------------------------------|---|---------|
| Accounting standards are statements prescribed by | Law | Bodies of shareholders | Professional accounting bodies | Government | 3 |
| Accounting Principles are generally based on | Practicability | Subjectivity | Convenience in recording | Recording | 1 |
| The Policy of 'anticipate no profit and provide for all possible losses' arises due to convention of | Consistency | Disclosure | Conservatism | Materiality | 3 |
| Which is the accounting concept that requires the practice of crediting closing stock to the trading account | Going concern | Cost | Matching | Conservatism | 3 |
| The convention of conservatism, when applied to the balance sheet, results in | understatement of assets | Overstatement of assets | understatement of capital. | Overstatement of capital | 1 |
| A business firm is separate and distinct from its owners is the assumption under which of the following accounting concepts: | Business Entity | Going Concern Entity | Money Measuring Entity | Accounting Period concept | 1 |
| Under which of the following kinds of business concepts it is assumed that the organization will last for a long time. | Going Concern Entity | Accounting Entity | Money Measuring Entity | Accounting Period | 1 |
| Distinction between an expenditure whose benefit will be for a long period and whose benefit for a short period of say up to one year, is made under which of the following. | Going concern Entity | Accounting Entity | Money Measuring Entity | Accounting Period | 1 |
| A firm is expected not to curtail its present scale and continue to operate at least at the existing level under, which of the following: | Going Concern Entity | Money Measuring Entity | Accounting Period | Materiality | 1 |
| It is assumed that only those transactions that could be expressed in monetary terms, under which of the following concepts: | Money Measurement Entity | Dual Aspect Principle | Going Concern Entity | Cost Principle | 1 |
| Entire life of a business entity is divided into shorter time intervals, say of one year, under which of the following | Accounting Principle | Dual Aspect Principle | Money Measuring Principle | Cost Principle | 1 |
| General rules that are used as a guide in accounting and as a basis of accounting practices are called | Generally Accepted Accounting Practices | Cash Accrual Principle | Revenue Accrual Principle | Double Entry Book-keeping System | 1 |
| Every transactions has two aspects i.e., debit and credit, under which of the following accounting principles: | Dual Aspect Principle | Cash Accrual Principle | Revenue Accrual Principle | Double Entry Book-keeping System | 1 |
| Anticipate no profits and provide for all possible losses. This is essence of which of the following accounting principles: | Conservatism Principle | Dual Aspect Principle | Materiality Principle | Timeliness Principle | 1 |
| Accounting procedures and accounting practices should remain same from year to year under which of the following accounting principles: | Consistency Principle | Dual Aspect Principle | Materiality Principle | Timeliness Principle | 1 |
| An ink-stand has been purchased by a firm for a nominal amount that is to last for 4 year. It should not be classified as a fixed asset under which of the following accounting principles: | Materiality Principle | Dual Aspect Principle | Timeliness Principle | Consistency Principle | 1 |
| When a machinery is purchased for cash, the cash balance is reduced and to that extent, the amount of machinery as an asset is recorded. This is done to follow which of the following accounting principles: | Dual Aspect Principle | Materiality Principle | Timeliness Principle | Consistency Principle | 1 |
| Expense on conveyance is a : | Manufacturing expense | Selling expense | Distribution expense | Administrative expenses | 4 |
| Prepaid rent is : | Administration expenses | Current asset | Both (a) and (b) above | Current liability | 2 |
| Unpaid preliminary expenses are : | Current asset | Current liability | Fictitious asset | Non Fictitious Asset | 2 |
| Power and Fuel is expenses under head | Administration | Selling | Manufacturing | HR | 3 |
| Controlling Telephone expenses is responsibility of | Administration | Selling | Purchasing | HR | 1 |
| Financial statement of company include : | Income statement | Income statement and Balance Sheet | Balance sheet | Income statement, Balance sheet and cash flow statement | 4 |

| | | | | | |
|--|--|---|---|---|---|
| Balance sheet indicates : | Assets, Liabilities and profit | Asset, Liabilities and capital | Assets and Liabilities | Both a and c above | 2 |
| Which of the following is true about a trial balance? | it lists down the balances of accounts | it lists down the balances of a balance sheet | it is a kind of financial statement | it is not a part of accounting cycle | 1 |
| Debit balance= Credit balance in a trial balance indicates that | mathematically capital+Liabilities= Assets | No error in recording transaction | No error in posting entries to ledger accounts | Accounts balances are correct | 1 |
| Trial Balance is commonly Prepared | At the end of an accounting period | At the end of the month | Frequently during the year | at the end of a year | 1 |
| Which of the following will affect the agreement of a trial balance | Partial omission of a transaction | Complete omission of a transaction | error of principle | compensating errors | 1 |
| Which of the following account with normal balance is shown at the credit side of a trial balance? | Accrued expenses account | Equipment account | bank account | cash account | 1 |
| Purchase of office computer on credit requires : Credit to : | Computer | Cash | Accounts payable | Equipment expenses | 3 |
| A/ An _____ is a person who does the basic job of maintaining accounts as he is the man who is engaged in book keeping. | Accountant | Finance Manager | Data entry operator | Finance head | 1 |
| _____ is primarily concerned with the preparation of financial statements whereas management accounting covers areas such as interpretation of financial statements, cost accounting, etc. | Financial accounting | Management Accounting | Cost Accounting | None of the above | 1 |
| _____ is based on certain concepts and conventions. | Financial accounting | Management Accounting | Cost Accounting | None of the above | 1 |
| The significance of _____ lies in the fact that it aids the management in directing and controlling the activities of the firm | Financial accounting | Management Accounting | Cost Accounting | None of the above | 2 |
| Current liabilities must be paid within : | 6 months | 3 months | 9 months | 12 months | 4 |
| A business has the following items in it: Owners' equity Rs.6,00,000 Liabilities Rs.14,00,000. What is the value of Assets | 6,00,000 | 14,00,000 | 20,00,000 | 12,00,000 | 3 |
| Left side of account is referred to as : | Balance | Debit | Credit | Footing | 2 |
| Payment of 18 months insurance policy requires debit to : | Prepaid insurance | Insurance Expense | Cash | Accounts payable | 1 |
| An agreement to spend Rs 1,00,000 a month on advertising beginning next month requires. | Debit to advertising expense | Credit to cash | No entry | Debit to prepaid advertising . | 1 |
| Cash book is : | Subsidiary book | Ledger A/C | Journalized ledger | Account book | 1 |
| Financial statement of company include : | Income statement | Income statement and Balance Sheet | Balance sheet | Income statement, Balance sheet and cash flow statement | 4 |
| Withdrawals by proprietor would : | Reduce assets and owners equity | Reduce assets and increase liability | Reduce owner's equity and increase liabilities | No. change. | 1 |
| Books of Accounts of company should be kept at | Any of the offices of Co | Head office | Registered office | Registered office or any other place decided by board | 4 |
| Financial statements of company must be authenticated by | All directors | Any 2 directors | M.D. + Other director + Mngr or company secretary | Chairman of Co. | 3 |
| Annual accounts must be approved by ----- | Shareholders of company | Owner | Management | Finance Manager | 1 |
| Shareholders can impact books of accounts only if authorized by: | Articles of Association | Memorandum of Association | Management | Company | 1 |
| Composition of Board is given in : | Board Report | Corporate Governance Report | Auditor's Report | Annual report | 2 |
| Audit report gives confidence to : | Investors | Management | Government | Accountant | 1 |
| A component of cost which includes all direct costs is: | Prime cost | Cost of goods sold | Works cost | Total sales | 1 |
| Summarises the components of cost in the form of a statement: | Cost Sheet | Cost statements | Cost measurement | Cost analysis | 1 |
| Cost will still be incurred although a plant is shut down temporarily: | Cost of raw material | Advertising | Depreciation | Carriage | 3 |
| Anything for which a separate measurement of cost is desired may be defined as : | Cost Object | Cost control | Cost centre | Cost allocation | 1 |

| | | | | | |
|--|--|---|---|----------------------------|---|
| Following overheads are included under functional classification: | Factory, Office and Administration, Selling & Distribution | Indirect expenses, Indirect material, Indirect labour | Indirect material, Direct material, Direct labour | Selling, distribution, R&D | 1 |
| Basic objective of cost accounting is: | Tax compliance | Financial audit | Cost ascertainment | Profit analysis | 3 |
| The information provided by _____ is historical in nature and as such the predictability of such information is limited. | Financial accounting | Management Accounting | Cost Accounting | None of the above | 1 |
| _____ the basic foundation on which other branches and tools of accounting analysis are based. | Financial accounting | Management Accounting | Cost Accounting | None of the above | 1 |
| _____ caters to the specific decision needs, it does not rest upon any well-defined and set principles. | Management accounting | Financial Accounting | Cost Accounting | None of the above | 1 |
| _____ reports can be of any duration— short or long, depending on purpose and the reports can be prepared for the organisation as a whole as well as its segments. | Management accounting | Financial Accounting | Cost Accounting | None of the above | 1 |
| _____ makes elaborate cost records regarding various products, operations and functions. | Cost accounting | Management Accounting | Financial Accounting | None of the above | 1 |
| _____ is the process of determining and accumulating the cost of a particular product or activity. | Cost Accounting | Management Accounting | Financial Accounting | None of the above | 1 |
| The basic purpose of _____ is to provide a detailed breakup of cost of different departments, processes, jobs, products, sales territories, etc., so that effective cost control can be exercised. | Cost accounting | Management Accounting | Financial Accounting | None of the above | 1 |
| _____ also helps in making revenue decisions such as those related to pricing, product-mix, profit-volume decisions, expansion of business, replacement decisions, etc. | Cost accounting | Management Accounting | Financial Accounting | None of the above | 1 |
| _____ helps in making realistic pricing decisions in times of low demand, competitive conditions, technology changes, etc. | Cost accounting | Management Accounting | Financial Accounting | None of the above | 1 |
| _____ is an ongoing process of performance measurement and reporting the results to decision-makers. | Accounting | Management Accounting | Financial Accounting | None of the above | 1 |
| _____ is primarily concerned with the preparation of financial statements mainly for outsiders. | Financial accounting | Management Accounting | Cost Accounting | None of the above | 1 |
| _____ is meant to help in decision-making by analyzing and interpreting the information generated by financial accounting. | Management accounting | Financial Accounting | Cost Accounting | None of the above | 1 |
| _____ is futuristic and decision-oriented. | Management accounting | Financial Accounting | Cost Accounting | None of the above | 1 |
| The methods of _____ are not very exact as they have to be varied according to the requirements of the decision. | Management accounting | Financial Accounting | Cost Accounting | None of the above | 1 |
| _____ is an important aspect of management accounting. | Cost accounting | Management Accounting | Financial Accounting | None of the above | 1 |
| Cost Accounting does not include financial accounting and has nothing to do ----- | with tax accounting | Management Accounting | Financial Accounting | Corporate accounting | 1 |
| Cost Accounting is more concerned with _____ | short term planning. | Long term planning | Strategic Planning | None of the above | 1 |
| _____ is mostly historical in its approach and projects the past. | Cost Accounting | Management Accounting | Financial Accounting | None of the above | 3 |
| Exchange of goods and or services for earning profit is called as _____ | Business | Services | Barter System | Company | 1 |
| Amount which can not be collected by Co. from customer, is called _____. | BAD DEBTS | INSOLVENT | DEFAULTER | All of the above | 1 |
| _____ as those rules of action or conduct which are adopted by the accountants universally while recording accounting transactions. | Accounting Principles | Accounting Conventions | Both A & B | None of the above | 3 |
| The term _____ is used to connote the accounting postulates, i.e., necessary assumptions and ideas which are fundamental to accounting practice. | Concept | Accounting Conventions | Accounting Principles | None of the above | 1 |
| _____ are broad general assumptions which underline the periodic financial statements of business enterprises. | Accounting concepts | Accounting Conventions | Accounting Principles | None of the above | 1 |

| | | | | | |
|---|---|---|---------------------------------|---|---|
| The term _____ is used to signify customs or tradition as a guide to the preparation of accounting statements. | convention | Accounting Principles | Accounting Concepts | None of the above | 1 |
| Assumption of accounting entity or business entity concept is applicable for which of the following business organizations. | Societies | Joint Stock Companies | Corporations | Partnership Firms | 5 |
| Financial Accounting is governed by _____ | statutory framework | Government of Maharashtra | RBI | SEBI | 1 |
| Basic function of Financial Accounting is to _____ | record the transactions of the business | do analysis | provide information | match the debit side and credit side | 1 |
| Format of financial accounting reports is standardized as per _____ | provisions of Companies Act. | GAAP | Statutory framework | SEBI | 1 |
| Rules of revenue recognition determine that earning process should be either complete or near completion under: | Realization Concept | Materiality Concept | Historical Record Concept | Accounting Period Concept | 1 |
| The business transactions are recorded date wise to create proper record for all transactions. This is part of which of the following | Historical Record Concept | Realization Concept | Materiality Concept | Accounting Period Concept | 1 |
| Profit is a liability for a firm and the loss is an asset under which of the following concepts | Business Entity Concept | Materiality Concept | Historical Record Concept | Accounting Period Concept | 1 |
| The accounting equation 'asset = capital + liability is part of which of the following concepts | Dual Aspect Concept | Realization Concept | Materiality Concept | Historical Record Concept | 1 |
| Under which conventions of accounting, the contingent liabilities are shown as a footnote or explanatory notes in the balance sheet of a firm: | Convention Of Full Disclosure | Convention Of Materiality | Convention Of Conservatism | Convention Of Consistency | 1 |
| The use of management accounting is | Optional | Compulsory | Legally obligatory | Compulsory to some and optional to others | 1 |
| Who coined the concept of management accounting? | James H. Bliss | J. Batty | American Accounting Association | R.N Anthony | 1 |
| The branch of accounting which primarily deals with processing and presenting accounting data for internal use in a concern is: | Financial Accounting | Cost Accounting | Management Accounting | Inflation Accounting | 3 |
| The prime function of management accounting is to: | Record business transaction | Assist the management in performing its functions effectively | Interpret the financial data | Assist tax authorities | 2 |
| Cost Accounting does not include financial accounting and has nothing to do : | with tax accounting | Management Accounting | Financial Accounting | Corporate accounting | 1 |
| Exchange of goods and or services for earning profit is called as : | Business | Services | Barter System | Company | 1 |
| Fixed budget is useless for comparison when the level of activity: | Increases | Fluctuates both ways | Decreases | Constant | 2 |
| The budget committee consists of... | Managers | Budget officers | Creditors | Supervisors | 2 |
| R&D budget and Capital expenditure budget are examples of | Short-term budget | Current budget | Long-term budget | Cost budget | 3 |
| Plant utilization budget and Manufacturing overhead budgets are types of | Production budget | Sales budget | Cost budget | Purchase budget | 3 |
| A budgeting process which demands each manager to justify his entire budget in detail from beginning is | Functional budget | Master budget | Zero base budgeting | Non- functional budget | 3 |
| Management accounting deals with | Quantitative information | Qualitative information | Both A & B | None of the above | 3 |
| is a system meant for measuring business activities, processing of information into reports and making the findings available to decision-makers. | Accounting | management accounting | Cost Accounting | Financial Accounting | 1 |
| The documents, which communicate these findings about the performance of an organisation in monetary terms, are called | financial statements | Profit and Loss a/c | Balance sheet | Audit report | 1 |
| Accounting is understood as | The Language of Business | Important aspect of Business | Important part of business | all of the above | 1 |
| A man who is involved in the process of book keeping and accounting is called a/an | Accountant | Finance Manager | Data entry operator | Finance head | 1 |

| | | | | | |
|--|---------------------|-------------------------|---------------------|-----------------------|---|
| What are fixed to control inventory | Maximum Level | Minimum Level | Re-Order Level | Inventory Levels | 4 |
| The allotment of whole item of cost to cost centre or cost units is called | cost allocation | cost apportionment | cost absorption | cost disbursement | 1 |
| Packing cost is will come under which cost | production cost | selling cost | administration cost | distribution cost | 4 |
| Directors remuneration and expenses form part of | production overhead | administrative overhead | selling overhead | distribution overhead | 4 |

| | | | | | |
|--|--|---|---|---|---|
| Absorption means which of the following | charging overheads to cost centres | charging of overheads to cost units | charging of overheads to cost centres or cost units | allotment of overheads to different departments | 2 |
| List An example of fixed cost | property tax | rent for building | direct material cost | direct wages | 2 |
| A cost that is easily traceable to a cost object is known as: | Direct cost | Indirect cost | Variable cost | Fixed cost | 1 |
| The process of distribution of overheads allotted to a particular department or cost center over the units produced is called: | Allocation | Apportionment | Absorption | Departmentalization | 3 |
| The labour engaged in the making of a product is known as | Direct labour | Indirect labour | Temporary labour | Permanent labour | 1 |
| Standards that can be attained only under the best circumstances are referred to as: | Attainable standards | Budget standards | Ideal standards | Practical standards | 3 |
| As per J. Batty, Standard Cost represents which costs | Anticipated costs | Current costs | Historical costs | Empirical costs | 1 |
| Company tries to achieve -----as early as possible. | Break even Point | Standard | Benchmark | Margin | 1 |
|is more when sales are more than B.E.P. | Margin of Safety | Break Even Point | Marginal costing | Contribution | 1 |
| Every company must maintain accounts on -----basis. | Accrual | Cash | Merchantile | Credit | 1 |
| Books of accounts are kept at -----office of Company | Registered | Head Office | Company | C.A office | 1 |
| _____ is the language of Business which used to communicate financial information. | Accounting | Marketing | Profit | Pricing | 1 |
| _____ is the study of managerial aspects of financial accounting | Cost accounting | Financial accounting | Management accounting | Business accounting | 3 |
| Auditor gives his report to ----- | Shareholders of company | Management of the company | Manager | Owner | 1 |
| Every company at end of financial year must publish -----. | Annual Report | Article | Financial reports | Agenda | 1 |
| Indian Accounting standards are prepared by_____. | ICAI | RBI | SEBI | IRDA | 1 |
| G.A.AP means_____ | Generally Accepted Accounting Principals | Government Accepted Accounting Principals | Government accepted Accrual principals | Generally assumed accounting Principals | 1 |
| Marginal cost is the increase or decrease in total cost when there is increase or decrease in production by one unit. | TRUE | FALSE | | | 1 |
| Difference between actual sales and B.E. sales is called Margin of Safety | TRUE | FALSE | | | 1 |
| Profit volume ratio shows relationship between contribution and turnover of company. | TRUE | FALSE | | | 1 |
| Marginal cost is the total cost incurred for producing one additional unit, which is nothing but variable cost per unit. | TRUE | FALSE | | | 1 |
| Margin of safety (M.O.S. or M/S) is the sales achieved by company over break even sales | TRUE | FALSE | | | 1 |
| Marginal costing is useful for decision making | TRUE | FALSE | | | 1 |
| Contribution depends on fixed cost | TRUE | FALSE | | | 2 |
| Increase variable cost to increase P/V ratio | TRUE | FALSE | | | 2 |

Unit 1 - Self Assessment Questions

Your last recorded submission was on 2022-01-03, 12:10 IST

Previous Score: 100%

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

The term management accounting was first coined in

- 1950
- 1945
- 1955
- 1960

Yes, the answer is correct.

Score: 1

Feedback:

Management accounting is of recent origin. It was first used in 1950 by a team of accountants while visiting U. S. A under the auspices of Anglo-American Council on Productivity.

Accepted Answers:

1950

1 point

The use of management accounting is

- Optional
- Compulsory
- Legally obligatory
- Compulsory to some and optional to others

Yes, the answer is correct.

Score: 1

Feedback:

Management accounting is optional as it provides economic & financial information to the management for effective decision making & control.

Accepted Answers:

Optional

1 point

Management accounting assists the management

- In planning, direction and control
- Only in control
- Only in direction
- Only in planning

Yes, the answer is correct.

Score: 1

Feedback:

It provides financial information for decision making & controlling financial activities of the organization.

Accepted Answers:

In planning, direction and control

1 point

Management accountancy is a structure for

- Accounting
- Decision making
- Costing
- Management

Yes, the answer is correct.

Score: 1

Feedback:

The primary objective of management accounting is to provide necessary information to the management in the process of its planning, controlling, performance evaluation & decision making.

Accepted Answers:

Decision making

1 point

Who coined the concept of management accounting?

- J. Batty
- James H. Bliss
- American Accounting Association
- R.N. Anthony

Yes, the answer is correct.

Score: 1

Feedback:

James H. Bliss

Accepted Answers:

James H. Bliss

1 point

Format of management accounting reports is tailor made as per requirements of management.

- True
 False

Yes, the answer is correct.

Score: 1

Feedback:

The reports are prepared as per the need & requirements of the organization.

Accepted Answers:

True

1 point

Management Accounting system cannot be installed without proper Cost accounting system.

- True
 False

Yes, the answer is correct.

Score: 1

Feedback:

Management accounting uses financial accounting & cost accounting data.

Accepted Answers:

True

1 point

A/ An _____ is a person who does the basic job of maintaining accounts as he is the man who is engaged in book keeping.

- Finance head
 Finance Manager
 Data entry operator
 Accountant

Yes, the answer is correct.

Score: 1

Targeted Feedback:

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Feedback:

An **accountant** is a practitioner of **accounting** or accountancy, which is the measurement, disclosure or provision of assurance about financial information that helps managers, investors, tax authorities and others make decisions about allocating resource(s).

Accepted Answers:

Accountant

1 point

_____ is primarily concerned with the preparation of financial statements whereas management accounting covers areas such as interpretation of financial statements, cost accounting, etc.

- Management Accounting
- Financial accounting
- Cost Accounting
- Corporate accounting

Yes, the answer is correct.

Score: 1

Targeted Feedback:

•

Feedback:

Financial accounting is the process of preparing financial statements that companies' use to show their financial performance and position to people outside the company, Including investors, creditors, suppliers, and customers.

Accepted Answers:

Financial accounting

1 point

Management Accounting is futuristic in its approach.

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

Management uses data for decision making process as well as for strategic planning of the organization. Hence management accounting is having futuristic approach.

Accepted Answers:

True

Check Answers and Submit

Your score is: 10/10

Unit 2 - Self Assessment Questions

Your last recorded submission was on 2022-02-08, 09:38 IST

Previous Score: 100%

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

Accounting standards are statements prescribed by

- Law
- Bodies of shareholders
- Professional accounting bodies
- None of the above

Yes, the answer is correct.

Score: 1

Feedback:

Professional accounting bodies:

Institute of Cost Accountants of India (ICMAI) Institute of Chartered Accountants of India (ICAI)

Accepted Answers:

Professional accounting bodies

1 point

The Policy of 'anticipate no profit and provide for all possible losses' arises due to convention of

- Consistency
- Disclosure
- Conservatism
- Matching

Yes, the answer is correct.

Score: 1

Feedback:

The concept of conservatism states that a conscious approach should be adopted in ascertaining income so that profits of the enterprise are not overstated.

Accepted Answers:

Conservatism

1 point

Which is the accounting concept that requires the practice of crediting closing stock to the trading account

- Going concern
- Cost
- Matching
- Conservatism

Yes, the answer is correct.

Score: 1

Feedback:

The matching concept is an accounting practice whereby firms recognize revenues and their related expenses in the same accounting period.

Accepted Answers:

Matching

1 point

A business firm is separate and distinct from its owners is the assumption under which of the following accounting concepts:

- Business Entity
- Going Concern Entity
- Money Measuring Entity
- Accounting Period concept

Yes, the answer is correct.

Score: 1

Feedback:

The business entity concept states that the transactions associated with a business must be separately recorded from those of its owners or other businesses.

Accepted Answers:

Business Entity

1 point

Under which of the following kinds of business concepts it is assumed that the organization will last for a long time.

- Going Concern Entity
- Accounting Entity
- Money Measuring Entity
- Accounting Period

Yes, the answer is correct.

Score: 1

Feedback:

*The **going concern principle** is the assumption that an **entity** will remain in business for the foreseeable future.*

Accepted Answers:

Going Concern Entity

1 point

Cash, Bills receivable and prepaid expenses are the examples of current assets.

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

Current assets are those assets which are easily convertible into cash.

Accepted Answers:

True

1 point

Business is human activity directed towards providing or acquiring wealth through buying & selling of goods.

True

False

Yes, the answer is correct.

Score: 1

Feedback:

Business is commercial activity.

Accepted Answers:

True

1 point

Current liabilities must be paid within one year.

True

False

Yes, the answer is correct.

Score: 1

Feedback:

Amount due to be paid to creditors within twelve months

Accepted Answers:

True

1 point

When company can not pay its dues it is said to be _____

Insolvent

Bad debts

Creditors

Fraudulent

Yes, the answer is correct.

Score: 1

Feedback:

Unable to pay debts owed.

Accepted Answers:

Insolvent

1 point

Basic function of Financial Accounting is to _____.

- Record the transactions of the business
- For analysis
- Provide information
- Match the debit side and credit side

Yes, the answer is correct.

Score: 1

Feedback:

Financial accounting deal with entire organization. It relates to all commercial transaction of organization during a particular period.

Accepted Answers:

Record the transactions of the business

Check Answers and Submit

Your score is: 10/10

Unit 3 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

Which of the following items would not fall under the definition of an asset?

- Land
- Machine
- Cash
- Owner's Equity

Yes, the answer is correct.

Score: 1

Feedback:

Owner's equity is considered a liability on business

Accepted Answers:

Owner's Equity

1 point

When machinery is sold for credit :

- Assets increase
- Assets decrease
- One asset increase and other asset decrease

None of the above

Yes, the answer is correct.

Score: 1

Feedback:

Cash will be coming in the business. bills receivables are increasing and it is a type of assets.

Accepted Answers:

Assets increase

1 point

The return of goods by the customer should be debited to

Customer a/c

Sales return a/c

Goods a/c

Purchase return a/c

Yes, the answer is correct.

Score: 1

Feedback:

The return of goods by the customer should be debited to Sales return a/c

Accepted Answers:

Sales return a/c

1 point

Furniture purchased by cheque

Expenses of Co.

One asset increase and other asset decrease

One asset increase

Income of Co.

Yes, the answer is correct.

Score: 1

Feedback:

Furniture is coming in the business, so assets will increase

Accepted Answers:

One asset increase

1 point

Effect of this transaction:When asset is purchase against cheque :

Debit asset A/C

Debit expenses A/C

Debit purchase A/C and credit bank A/C

Debit asset A/C and credit bank A/C

Yes, the answer is correct.

Score: 1

Feedback:

Real account rule is applicable here.

Accepted Answers:

Debit purchase A/C and credit bank A/C

1 point

Accounting equation may not hold for every transaction

True

False

Yes, the answer is correct.

Score: 1

Feedback:

Accounting equation is related to every transaction.

Accepted Answers:

False

1 point

Every company has to maintain journal for financial discipline

True

False

Yes, the answer is correct.

Score: 1

Feedback:

Journal entry is the part of book-keeping. Book-keeping is the first step in accounting.

Accepted Answers:

True

1 point

Return inward book records purchase returns

True

False

Yes, the answer is correct.

Score: 1

Feedback:

It records sales return.

Accepted Answers:

False

1 point

Opening balance of asset A/c is always a _____ balance.

Debit

- Credit
- Overdraft
- Cash Payment

Yes, the answer is correct.

Score: 1

Feedback:

Rule of real account is applied here. Dr. What comes in and credit was goes out. Assets are coming in the business so we write in the Debit side of account.

Accepted Answers:

Debit

1 point

Purchase A/c is always _____ and sales A/c is always _____.

- Debited, Credited
- Credited, Debited
- Inward, Outward
- Outward, Inward

Yes, the answer is correct.

Score: 1

Targeted Feedback:

Feedback:

Purchase account and sales account can be real as well as nominal account. Purchase is an expense for any business where as sales are the receipt or gain for any organization

Accepted Answers:

Debited, Credited

Check Answers and Submit

Your score is: 10/10

Unit 4 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

As per company's Act all companies must maintain their accounts on basis of

- Accrual method
- Accrual and Double entry
- Double entry
- No one of above

Yes, the answer is correct.

Score: 1

Feedback:

Books of Accounts shall be kept on accrual basis and according to Double Entry System of Accounting Cash vs accrual basis of accounting are two methods of recording transactions for a business.

Accepted Answers:

Accrual and Double entry

1 point

Books of Accounts of company should be kept at

- Any of the offices of Co
- Head office
- Registered office
- Registered office or any other place decided by board

Yes, the answer is correct.

Score: 1

Feedback:

Registered office or any other place decided by board

Accepted Answers:

Registered office or any other place decided by board

1 point

Shareholders of Co.

- Can inspect books of A/c of company
- Cannot inspect books of A/c of Co.
- Can inspect books of A/cs if authorized by A.G.M.
- Can inspect books of A/cs if authorized by Articles of Co.

Yes, the answer is correct.

Score: 1

Feedback:

Shareholder's of the company are the owner of the company. They can inspect books of A/cs if authorized by Articles of Co.

Accepted Answers:

Can inspect books of A/cs if authorized by Articles of Co.

1 point

Financial statements of company must be authenticated by

- All directors
- Any 2 directors
- M.D. + Other director + Manager or company secretary
- Chairman of Co.

Yes, the answer is correct.

Score: 1

Accepted Answers:

M.D. + Other director + Manager or company secretary

1 point

Maximum period for financial year of Co. can be :

- 18 Months
- 15 Months
- 16 Months
- 12 Months

Yes, the answer is correct.

Score: 1

Feedback:

As per section 2(41) of companies Act, 2013 every Company is required to follow uniform Financial Year ending on 31st March.

Accepted Answers:

12 Months

1 point

Company should include only Income statement and Balance sheet in its financial statements

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

Company should produce income statement, balance sheet and cash flow statements.

Accepted Answers:

False

1 point

Company can prepare its financial accounts after every 2 years

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

Company should prepare financial statement quarterly.

Accepted Answers:

False

1 point

Auditor's Report is a part of Annual Report

True

False

Yes, the answer is correct.

Score: 1

Feedback:

The auditor's report is a written document or letter from the auditor containing opinion related to financial statements comply with GAAP.

Accepted Answers:

True

1 point

Shareholders can impact books of accounts only if authorized by _____

Memorandum of Association

Management

Articles of Association

Company

Yes, the answer is correct.

Score: 1

Feedback:

Article of association is a document of the company in which rules of internal management to achieve the common goal of the organization.

Accepted Answers:

Articles of Association

1 point

Annual accounts must be approved by_____

Owner

Shareholders of company

Management

Finance Manager

Yes, the answer is correct.

Score: 1

Feedback:

Decision making is in the hands of shareholder's of the company. They must approve financial statement of the company.

Accepted Answers:

Shareholders of company

Check Answers and Submit

Your score is: 10/10

Unit 5 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

Which of the following cost is also known as overhead cost or on cost:

- Cost of direct labour
- Cost of direct material
- Indirect expenses
- Direct expenses

Yes, the answer is correct.

Score: 1

Feedback:

Indirect expenses are the expenses which are indirectly associated with producing a unit.

Accepted Answers:

Indirect expenses

1 point

Which of the following calculate the actual cost of product:

- Cost estimation
- Costing
- Both a and b
- None of these

Yes, the answer is correct.

Score: 1

Feedback:

Costing is the process of calculating a costing.

Accepted Answers:

Costing

1 point

Which factor that cause change in cost of activity:

- Activity cost
- Driver rates
- Cost pool
- Cost drivers

Yes, the answer is correct.

Score: 1

Feedback:

A cost driver is the unit of an activity that causes the change in activity's cost.

Accepted Answers:

Cost drivers

1 point

Costing is specialized branch of accounting which deals with:

- Classification, recording, allocation, and control of asset
- Classification, processing, allocation and directing
- Classification, recording, planning and control of asset
- Classification, recording, planning and control of asset

Yes, the answer is correct.

Score: 1

Feedback:

Costing is a special branch of accounting which deals with classification, recording, allocation of assets.

Accepted Answers:

Classification, recording, allocation, and control of asset

1 point

Over-absorption of factory overheads, due to inefficiency of management, should be disposed of by:

- Carry forward to next year
- Supplementary rate
- Transfer to costing P&L A/c
- Any of these

Yes, the answer is correct.

Score: 1

Feedback:

Over-absorption of overheads** means the excess of **overheads absorbed over the actual amount of overheads incurred.

Accepted Answers:

Transfer to costing P&L A/c

1 point

Prime Cost = (Direct Material) + (Direct Labour) + Direct Expenses)

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

prime cost is the cost which directly involved in the production.

Accepted Answers:

True

1 point

Direct labour includes all remuneration and other benefits paid to workmen who are directly involved in manufacturing of a product

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

It is related to direct cost.

Accepted Answers:

True

1 point

Costs can be collected under 3 main elements viz Material, Labour, Expenses.

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

it is a prime cost which involves three elements.

Accepted Answers:

True

1 point

In case of building construction, _____ method of costing will be used.

- Batch costing
- Job costing
- Process costing
- Contract costing

Yes, the answer is correct.

Score: 1

Feedback:

Contract costing is the tracking of costs associated with a specific contract with a customer.

Accepted Answers:

Contract costing

1 point

Unit costing is also known as_____.

- Output costing
- Batch costing
- Process costing
- Contract costing

Yes, the answer is correct.

Score: 1

Feedback:

Unit or output costing is that method of costing in which cost are fixed per unit of a single product in a continuous manufacturing activity.

Accepted Answers:

Output costing

Check Answers and Submit

Your score is: 10/10

Unit 6 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

ABC analysis is used in

- CPM
- PERT
- Inventory control
- Ratio Analysis

Yes, the answer is correct.

Score: 1

Feedback:

The fact or process of ensuring that appropriate amounts of stock are maintained by a business is known as Inventory Control.

Accepted Answers:

Inventory control

1 point

ABC analysis divides an organization's on-hand inventory into three classes based upon

- annual dollar volume.
- the number of units on hand.
- unit price.
- annual demand.

Yes, the answer is correct.

Score: 1

Feedback:

ABC analysis divides an organization's on-hand inventory into three classes based upon the number of units on hand

Accepted Answers:

the number of units on hand.

1 point

Policies based on ABC analysis might include investing

- the most time and effort verifying the accuracy of records for B items.
- extra care in forecasting for C items.
- more in supplier development for A items.
- more in inventory security for C items.

Yes, the answer is correct.

Score: 1

Feedback:

ABC analysis divides an organization's on hand-inventory into three classes. it has advantages for accurate time and effort verifying the records for different category.

Accepted Answers:

the most time and effort verifying the accuracy of records for B items.

1 point

Which of the following element must be taken into account while calculating total earnings of a worker under different incentive wage schemes?

- Rate per unit
- Units of production
- Extra time taken by employee to complete the production

Number of workers employed

Yes, the answer is correct.

Score: 1

Feedback:

Units of production considers for calculating earnings of a worker.

Accepted Answers:

Units of production

1 point

The following classes of costs are usually involved in inventory decisions except

Cost of ordering

Carrying cost

Cost of shortage

Machine cost

Yes, the answer is correct.

Score: 1

Feedback:

Machine cost is not calculation of inventory cost.

Accepted Answers:

Machine cost

1 point

Pricing of issue of materials is closely connected with the actual physical movements of units of material.

True

False

Yes, the answer is correct.

Score: 1

Feedback:

Pricing of issue is related with physical movement and non movement of material.

Accepted Answers:

False

1 point

Issue prices have an impact on book profits of the firm.

True

False

Yes, the answer is correct.

Score: 1

Feedback:

Book profit is the leftover money after the entity has paid all its expenses. Higher the issue price lower will be the profit and vice-versa.

Accepted Answers:

True

1 point

Pricing of issue of raw material do not have any impact on the valuation of stock.

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

Pricing of issue of raw material will have an impact on the valuation of stock. if price of raw material is decreased or increased stock valuation will change.

Accepted Answers:

False

1 point

A store ledger card is similar to the _____ .

- Stock ledger
- Bin card
- Material card
- Purchase requisition card

Yes, the answer is correct.

Score: 1

Feedback:

A Bin Card is a table that records the status of a good held in stock.

Accepted Answers:

Bin card

1 point

Purchase requisition for production items is raised by _____.

- Stores
- Management
- Purchase department
- Company

Yes, the answer is correct.

Score: 1

Feedback:

Purchase orders are issued by the purchasing department or store department after a purchase requisition has been made and passed the approval process.

Accepted Answers:

Stores

Check Answers and Submit

Your score is: 10/10

Unit 7 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

Absorption costing is used for:

- Price determination on basis of full cost
- Solution of separation of costs
- both A and B
- Prime cost

Yes, the answer is correct.

Score: 1

Feedback:

Absorption costing is a costing system that is used in valuing inventory. It not only includes the cost of materials. and labor, but also both variable and fixed manufacturing overhead costs. Absorption costing is also referred to as full costing.

Accepted Answers:

Price determination on basis of full cost

1 point

Absorption costs helps in

- Difference between product cost and period cost
- Charged of fixed factory overheads on inventory
- Both 1 and 2
- Labor Overheads

Yes, the answer is correct.

Score: 1

Feedback:

A product may absorb a broad range of fixed and variable costs.

Accepted Answers:

Both 1 and 2

1 point

Which of the following is a conventional method of ascertaining cost?

- Absorption costing
- Full Costing
- Both 1 & 2 Option
- Variable cost

Yes, the answer is correct.

Score: 1

Feedback:

Absorption costing is known as Full costing.

Accepted Answers:

Both 1 & 2 Option

1 point

Under absorption costing, profit is ascertained on the basis of

- difference between sales and total cost.
- By computation as per desired rate of profit on sales or cost
- Both 1 and 2 option
- Difference in Direct sales and direct Material.

Yes, the answer is correct.

Score: 1

Feedback:

Under absorption costing method, profit is ascertained on the basis of difference between sales and total cost and by computation as per desired rate of profit on sales or cost.

Accepted Answers:

Both 1 and 2 option

1 point

Under absorption costing among fixed expenses

- Fixed manufacturing expenses are included in unit cost
- Fixed non-manufacturing expenses are included in unit cost
- Both 1 and 2 option
- Variable Manufacturing expenses.

Yes, the answer is correct.

Score: 1

Feedback:

In unit cost, fixed manufacturing expenses are included;

Accepted Answers:

Fixed manufacturing expenses are included in unit cost

1 point

Allocation means charging overheads to particular product, process, or activity.

- True
 False

Yes, the answer is correct.

Score: 1

Feedback:

Distribution of overheads to a particular product, process or activity is called allocation.

Accepted Answers:

True

1 point

Apportionment is division of overhead cost to two or more cost centers or departments using appropriate base

- True
 False

Yes, the answer is correct.

Score: 1

Feedback:

Apportionment is division of overhead cost to two or more cost centers or departments using appropriate base

Accepted Answers:

True

1 point

Factory rent is semi fixed cost

- True
 False

Yes, the answer is correct.

Score: 1

Feedback:

Factory rent is fixed cost.

Accepted Answers:

False

1 point

All costs are classified under _____ segments under absorption costing.

- Five
 Six
 Four
 Three

Yes, the answer is correct.

Score: 1

Feedback:

It is a method of calculating the cost of a product or enterprise by taking into account indirect expenses as well as direct cost. Three segments of cost are covered under absorption costing.

Accepted Answers:

Three

1 point

All factory costs are treated as _____ while all administration costs are treated as _____.

- Product costs, Period costs
- Period Costs, Product costs
- Fixed costs, Period costs
- Period costs, fixed costs

Yes, the answer is correct.

Score: 1

Feedback:

Product cost includes all cost which is related to manufacturing or factory costs whereas all administrative cost are treated as period costs.

Accepted Answers:

Product costs, Period costs

Check Answers and Submit

Your score is: 10/10

Unit 8 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

Marginal costing technique is based on

- Variable Cost.
- Fixed Cost
- Prime Cost
- Incremental Cost

Yes, the answer is correct.

Score: 1

Feedback:

Marginal costing is the technique which is based on variable cost.

Accepted Answers:
Variable Cost.

1 point

Contribution/sales is equal to

- P/V ratio
- Net profit ratio
- BEP
- EPS

Yes, the answer is correct.
Score: 1

Accepted Answers:
P/V ratio

1 point

Profit volume ratio establishes the relationship between

- Contribution and profit
- Fixed cost and contribution
- Profit and sales
- Contribution and sales value

Yes, the answer is correct.
Score: 1

Accepted Answers:
Contribution and sales value

1 point

Marginal costs is taken as equal to

- Prime Cost plus all variable overheads
- Prime Cost minus all variable overheads
- Variable overheads
- Factory overheads

Yes, the answer is correct.
Score: 1

Accepted Answers:
Prime Cost plus all variable overheads

1 point

If total cost of 100 units is Rs 5000 and those of 101 units is Rs 5030 then increase of Rs 30 in total cost is

- Marginal cost

- Prime cost
- All variable overheads
- Break even cost

Yes, the answer is correct.

Score: 1

Accepted Answers:

Marginal cost

1 point

Marginal cost is the increase or decrease in total cost when there is increase or decrease in production by one unit.

- True
- False

Yes, the answer is correct.

Score: 1

Accepted Answers:

True

1 point

Contribution depends on fixed cost

- True
- False

Yes, the answer is correct.

Score: 1

Accepted Answers:

False

1 point

Increase variable cost to increase P/V ratio

- True
- False

Yes, the answer is correct.

Score: 1

Accepted Answers:

False

1 point

Fixed cost of company is 60,000. selling price per unit is 30 and variable cost per unit is 20. B.E.P. is achieved when sale is of _____ units.

- 6000
- 6000

- 12000
- 18000

Yes, the answer is correct.
Score: 1

Accepted Answers:
6000

1 point

_____ is more when sales are more than B.E.P.

- Margin of Safety
- Break Even Point
- Marginal costing
- Contribution

Yes, the answer is correct.
Score: 1

Accepted Answers:
Margin of Safety

Check Answers and Submit

Your score is: 10/10

Unit 9 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

The standard cost card contains quantities and costs for

- Direct material only
- Direct labor only
- direct material and direct labor only
- Direct material, direct labor, and overhead.

Yes, the answer is correct.
Score: 1

Feedback:

A standard cost card contains an itemization of **the standard** amounts of materials, labor, and overhead required to create one unit of a product.

Accepted Answers:

Direct material, direct labor, and overhead.

1 point

Which of the following statements regarding standard cost systems is true?

- Favorable variances are not necessarily good variances
- Managers will investigate all variances from standard
- The production supervisor is generally responsible for material price variances
- Standard costs cannot be used for planning purposes since costs normally change in the future

Yes, the answer is correct.

Score: 1

Feedback:

In a standard costing system, some favorable variances are not indicators of efficiency in operations. For example, the materials price variance, the labor rate variance, the manufacturing overhead spending and budget variances, and the production volume variance are generally not related to the efficiency of the operations.

Accepted Answers:

Favorable variances are not necessarily good variances

1 point

In a standard cost system, Work in Process Inventory is ordinarily debited with

- Actual costs of material and labor and a predetermined overhead cost for overhead
- Standard costs based on the level of input activity (such as direct labor hours worked)
- Standard costs based on production output
- Actual costs of material, labor, and overhead

Yes, the answer is correct.

Score: 1

Feedback:

In a standard cost system, Work in Process Inventory is ordinarily debited with. standard costs based on production output.

Accepted Answers:

Standard costs based on production output

1 point

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

Yes, the answer is correct.

Score: 1

Feedback:

*In **accounting**, a **standard costing system** is a tool for planning budgets, managing and controlling **costs**, and evaluating **cost** management performance. it is used in either job costing or process costing.*

Accepted Answers:

Either job order costing or process costing

1 point

A purpose of standard costing is to

- Replace budgets and budgeting
- Simplify costing procedures
- Eliminate the need for actual costing for external reporting purposes
- Eliminate the need to account for year-end under-applied or over-applied manufacturing overhead

Yes, the answer is correct.

Score: 1

Feedback:

A purpose of standard costing is to eliminate the need for actual costing for external reporting purposes

Accepted Answers:

Eliminate the need for actual costing for external reporting purposes

1 point

Specifications for materials are compiled on a bill of materials.

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

A BOM is a comprehensive list of raw materials, assemblies and sub-assemblies, components and other crucial items for product manufacturing.

Accepted Answers:

True

1 point

An operations flow document shows all processes necessary to manufacture one unit of a product

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

A flowchart is a picture of the separate steps of a **process** in sequential order. It is a generic tool that can be adapted for a wide variety of purposes, and can be used to describe various **processes**, such as a **manufacturing process**, an administrative or service **process**, or a project plan.

Accepted Answers:

True

1 point

A standard cost card is prepared before developing manufacturing standards for direct materials, direct labor, and factory overhead.

True

False

Yes, the answer is correct.

Score: 1

Feedback:

A standard costing system involves estimating the required costs of a production process. But before the start of the accounting period, determine the standard and set regarding the amount and cost of direct material required for the production process and the amount and pay rate of direct labour required for the production process. In addition, these standard are used to plan a budget for the production process.

Accepted Answers:

False

1 point

The difference between total actual cost incurred and total standard cost applied is referred to as _____.

Total Variance

Costing

Price Variance

Efficiency Variance

Yes, the answer is correct.

Score: 1

Feedback:

*The actual cost less the actual quantity at standard price equals the direct materials price **variance**.*

Accepted Answers:

Total Variance

1 point

The difference between actual variable overhead and budgeted variable overhead based upon actual hours is referred to as the _____.

- Variable overhead spending variance
- Efficiency variance
- Material mix
- Total Variance

Yes, the answer is correct.

Score: 1

Feedback:

Variable Overhead Spending Variance is the difference between what the **variable** production **overheads** actually cost and what they should have cost given the level of activity during a period.

Accepted Answers:

Variable overhead spending variance

Check Answers and Submit

Your score is: 10/10

Unit 10 - Self Assessment Questions

Assignment not submitted

Instructions:

Self Assessment Questions for Practice (Non-Graded)

Number of Questions: 10

Attempts: Multiple

1 point

A budget is a plan of action expressed in

- Financial terms
- Non-financial terms
- Both
- Subjective matter

Yes, the answer is correct.

Score: 1

Feedback:

A budget is a plan of action expressed in financial and non financial terms.

Accepted Answers:

Both

1 point

Budget is prepared for a

- Indefinite period
- Definite period
- Period of one year
- Six months

Yes, the answer is correct.

Score: 1

Feedback:

Budget is prepared for a particular period of time. it means it is prepared for a definite period of time.

Accepted Answers:

Definite period

1 point

A budget is tool which helps the management in planning and control of

- All business activities
- Production activities
- Purchase activities
- Sales activities

Yes, the answer is correct.

Score: 1

Feedback:

Budgeting allows to plan to set aside money for emergency costs. It manages all business activities.

Accepted Answers:

All business activities

1 point

Budgetary control system acts as a friend, philosopher and guide to the

- Management
- Share holders
- Creditors
- Employees

Yes, the answer is correct.

Score: 1

Feedback:

Management use Budgetary control system to shape the business. They can use to run business smoothly.

Accepted Answers:

Management

1 point

R&D budget and Capital expenditure budget are examples of

- Short-term budget
- Current budget
- Long-term budget
- Mid term Budget

Yes, the answer is correct.

Score: 1

Feedback:

R&D budget and Capital expenditure budget are examples of Long term Budget.

Accepted Answers:

Long-term budget

1 point

Flexible budget is a budget prepared for different cost

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

*A **flexible budget** is one based on **different** volumes of sales.*

Accepted Answers:

True

1 point

Cash budget depends upon cash forecasts

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

***Cash budgeting** is a process of predicting **cash** inflows and allocating **cash** outflows for a specific time period.*

Accepted Answers:

True

1 point

Production budget and labour budget are inter related

- True
- False

Yes, the answer is correct.

Score: 1

Feedback:

A manufacturing firm develops a **production budget**, which shows the number of units of products to be manufactured. This is based on forecast sales, adjusted for planned inventory levels. Based on the production budget, a manufacturer develops cost budgets for the direct materials, direct labor and overhead that will be required in the production process.

Accepted Answers:
True

1 point

_____ is prepared for single level of activity and single set of business conditions.

- Fixed budget
- Flexible budget
- Production budget
- Sales budget

Yes, the answer is correct.
Score: 1

Feedback:

A **fixed budget** is a **budget** that does not change or flex for increases or decreases in volume.

Accepted Answers:
Fixed budget

1 point

_____ is stated as a budget which is made to change as per the levels of activity attained.

- Fixed budget
- Flexible budget
- Cash budget
- Sales budget

Yes, the answer is correct.
Score: 1

Feedback:

A **flexible budget** is a **budget** that adjusts or flexes with changes in volume or activity.

Accepted Answers:
Flexible budget

Check Answers and Submit

Your score is: 10/10