CLASS/SEMESTER:- TY B.COM (ACCOUNTING & FINANCE) / SEMESTER- VI

NAME OF THE SUBJECT:- COST ACCOUNTING IV

SAMPLE QUESTIONS FOR SELF PRACTICE

Sr. No	Questions	Option-A	Option-B	Option-C	Option-D
1	Budget is drawn for _____.	Organising	Forecasting	Future	None of the above
2	Key factor is also known as _____ _____.	Political factors	Social factors	Limiting factor	None of the above
3	_____ _____ is drawn for various levels.	Production budget	Purchase budget	Flexible budget	None of the above
4	_____ _____ requires classification of cost as fixed, variable and semi-variable.	Production budget	Purchase budget	Flexible budget	None of the above
5	Fixed Budget is drawn for _____ level of activity.	Quantity only	Cost only	Fixed	None of the above
6	_____ _____ budget is prepared for a longer period.	Increases cost	Capital Expenditure	Facilitates control	None of the above
7	_____ _____ is a summary of all the functional budgets.	Sales Budget	Master Budget	Production budget	None of the above
8	Budgetary control is costly for _____ organizations.	Large	Small	Public sector organization	None of the above
9	_____ _____ shows estimate of sales in future.	Production budget	Sales Budget	Flexible budget	None of the above
10	Production Budget is expressed in _____.	Quantity	Responsibility	Forecasting	None of the above
11	_____ _____ shows budgeted receipts and payments.	Cash Budget	Flexible budget	Production budget	None of the above
12	Flexible budget is useful for _____.	Control	Competent people	Small size	None of the above
13	Budget defines _____ of a concerned manager.	Responsibility	Budgeted cost of production	Budgeted cost of sales	None of the above
14	One of the following is not a basic element of a budget :	Defines the responsibility of each employee	Comprehensive plan	Expressed in financial terms	Future plan for a specified period

15	Information to prepare flexible budget includes :	Total fixed cost, total variable cost	Total fixed cost, total variable cost and capacity	Total fixed cost, variable cost per unit and several levels of activity	None of the above
16	The scarce factor of production is known as :	Key factor	Limiting factor	Critical factor	All of the above
17	Flexible budgets are useful for	Planning purpose only	Planning, performance evaluation & feedback control	Control of performance only	None of the above
18	A budget is expressed in	Financial terms only	Quantitative terms only	Both financial and quantitative terms	Financial and / or quantitative terms
19	Which of the budget is prepared for a long period of time	Production budget	Purchase budget	Cash budget	Capital expenditure budget
20	A flexible budget takes into account	Fixed cost only	variable cost only	Semi-variable cost only	Fixed, variable and semi-variable cost
21	Master budget is a summary of	Cash budget	Sales budget	Production budget	All functional budgets
22	A budget is prepared for	One year	One month	6 month	A specified period
23	Budget period depends on	Type of budget	Management policy	Government policy	None of the above
24	The object of budgetary control is	Planning	Organising	Forecasting	None of the above
25	Following is the benefit of budgetary control	Facilitates control	Increases cost	Brings down efficiency	None of the above
26	Budgetary control system is costly for	Large organization	Small organization	Public sector organization	None of the above
27	Following is the essence of budgetary control	Well defined objectives	Competent people	Small size	None of the above

28	Budget Manual is a	Detailed information about plans, policies, procedures and operations	Annual magazine	Note book	Budget prepared manually
29	Performance of any organization depends on	Political factors	Social factors	Critical factors	None of the above
30	Sales budget shows	Estimate of future sales	Estimate of future production	Estimate of inventory	None of the above
31	Production budget is expressed in	Quantity only	Cost only	Quantity and cost	None of the above
32	Capital expenditure budget is	A budget for long term investment	A budget for short term investment	A budget for future expenditure	A budget for personal expenditure
33	The budget which helps to plan and control cash is	Production budget	Cash budget	Sales budget	Flexible budget
34	The budget which is dynamic is	Fixed budget	Flexible budget	Cash budget	Sales budget
35	The budget which covers all the functional budget is	Master budget	Sales budget	Production budget	Cost budget
36	Production cost budget shows	Budgeted cost of production	Budgeted cost of sales	Budgeted purchases	Budgeted capacity
37	Total consumed cost for 14400 units (60 % of the capacity) is Rs.54000. Calculate the consumed cost for 50% capacity.	42,000	43,500	45,000	47,500
38	Identify the most appropriate sequence of events in the preparation of the indicated budgets?	Sales Budget, Cash Budget, Budgeted balance sheet, Production Budget	Sales Budget, Cash Budget, Production Budget, Budgeted balance sheet	Sales Budget,Production Budget, Cash Budget, Budgeted balance sheet	Sales Budget, Cash Budget,Production Budget, Budgeted balance sheet
39	How is the quantity to be produced calculated when preparing a production budget?	Sales Quantity + Opening Stock + Closing stock	Sales Quantity + Opening Stock - Closing stock	Sales Quantity -Opening Stock + Closing stock	Sales Quantity -Opening Stock - Closing stock
40	What does master budget comprises of?	Budgeted P&L	Budgeted Cash flow	budgeted cash flow, budgeted P & L A/c, Budgeted Balance sheet	entire sets of budgets prepared
41	Which of the following name should be included in a cash Budget?	Depreciation	Tax	Depreciation & Tax Provision	Loan repayment
42	Total consumed cost for 18000 units (60 % of the capacity) is Rs.5,400. Calculate the consumed cost for 80% capacity.	7,000	6,500	7,200	6,200

43	Marginal cost is _____ _____.	Variable cost	Fixed Cost	Prime Cost	None of the above
44	Marginal cost includes _____ + variable overheads	Prime Cost	Variable Cost	Fixed Cost	All of the above
45	Contribution = sales – _____ _____.	Variable Cost	Fixed Cost	Prime Cost	All of the above
46	Contribution is the test of _____.	Profitability	Margin of Safety	Sales and Variable cost	All of the above
47	_____ ratio shows relationship between contribution and sales.	P/V	BES	NPV	None of the above
48	BEP is the point at which there is _____ profit at which there is _____ profit _____ loss.	Decrease, Increase	No, No	Input, Output	None of the above
49	BEP (`) = Fixed Cost / _____.	Sales and fixed cost	P/V Ratio	Sales and Variable cost	None of the above
50	BEP (Units) = _____ / Contribution Per Unit.	Prime Cost	Fixed Cost	Variable Cost	All of the above
51	_____ in variable cost increases contribution.	Increase	lowers the net profit	Decrease	All of the above
52	_____ in selling price increases contribution.	lowers the net profit	Decrease	Increase	All of the above
53	_____ is the excess of actual sales over Break even sales.	B.E.P.	Increases BEP	Margin of Safety	All of the above
54	Increase in selling price brings down the _____ _____ _____.	Exceed	Prime Cost	B.E.P.	All of the above
55	Variable cost varies in direct proportion to _____.	Input	Margin of Safety	Output	None of the above
56	Fixed cost remains _____ irrespective of _____ upto the _____ limit.	Constant, Output, Capacity	Input, Output, Capacity	Ptime Cost, Fixed Cost, Variable Cost	None of the above
57	_____ the margin of safety greater is the scope for granting concessions to customers.	Higher	Lower	B.E.P.	All of the above
58	In no case the concession should _____ the margin of safety.	Exceed	fixed cost per unit	contribution per unit	All of the above
59	Contribution margin is known as	marginal income.	gross margin	net income	net profit
60	Break-even analysis may be described as	comparison between sales and cost	comparison between production and sales	comparison between fixed cost and variable cost	comparison to make out capacity utilisation
61	An increase in sales price	does not affect the break-even point	lowers the net profit	increases the break-even point	lowers the break-even point
62	A decrease in sale price	does not affect the break-even point	lowers the net profit	increases the break-even point	lowers the break-even point

63	Fixed cost per unit decreases when	production volume increases	production volume decreases	variable cost per unit decreases	prime cost per unit decreases
64	To obtain break-even point in rupees, total fixed cost is divided by	variable cost per unit	fixed cost per unit	contribution per unit	P/V ratio.
65	If sales are ` 5,00,000; variable costs are ` 2,00,000 and fixed cost are ` 2,40,000; the P/V Ratio will be	60%	40%	20%	45%
66	At break-even point, the contribution margin equals total	variable cost	sales revenue	fixed cost	administrative cost.
67	If the selling price per unit is ` 16, the unit variable cost is ` 12 and fixed costs are ` 60,000; the break-even points in units will be	15,000 units	10,000 units	20,000 units	40,000 units.
68	A company has sales of ` 2,00,000; P/V Ratio is 20% and fixed cost is ` 15,000; the profit will be	` 25,000	` 20,000	` 35,000	` 40,000
69	Under marginal costing, cost is classified on the basis of	Function	Behaviour	Elements	None of these
70	Contribution margin is equal to	Fixed cost + variable cost	Sales – variable cost	Sales – fixed assets	Sales – profit
71	Margin of safety is	Sales – contribution	Actual sales – Break even sales	Sales – fixed assets	Fixed cost + variable cost
72	If Sales are ` 80,000 and variable cost to sales is 70%, contribution is	` 56,000	` 24,000	` 70,000	` 30,000
73	P/V ratio will increase if there is	an increase in fixed cost	a decrease in fixed cost	a decrease in variable cost per unit	a decrease in selling price per unit
74	Sales are ` 3,00,000, direct cost is ` 1,70,000 profit is 20% on sale. Fixed cost will be	` 60,000	` 70,000	` 80,000	` 95,000
75	Sales are ` 1,00,000, variable cost is ` 70,000 and fixed cost is ` 15,000. The P/V ratio will be	30%	20%	35%	25%
76	Sales are 1,000 units @ ` 100 per unit variable cost ` 60,000. Fixed cost ` 28,000. The BEP in units will be	500 units	700 units	1,000 units	1,200 units
77	Profit ` 30,000, Marginal cost per unit ` 8, selling price per unit ` 10. The M/S will be.	` 1,40,000	` 1,50,000	` 1,25,000	` 1,45,000
78	Contribution is the difference between	Sales and Variable cost	Sales and fixed cost	Sales and Total cost	Factory cost and profit
79	Variable cost depends on	Production	Demand	Sales	None of the above
80	Marginal cost per unit	increases	decreases	remains fixed	none
81	The following is not a fixed cost	Property tax	Insurance premium	Power	None of the above
82	Telephone charges is a	Fixed cost	Variable cost	Semi variable cost	None

83	Increase in fixed cost	Increases BEP	Decreases BEP	Maintains the same BEP	None of the above
84	BEP in units is equal to	C/S	F/contribution per unit	Sales / V. cost	None of the above
85	Contribution is	S – V	F + P	F – Loss	a & b
86	Decrease in variable cost	decreases the BEP	increases the BEP	decreases P/V ratio	none of the above
87	Decrease in selling price	increases the BEP	decreases the BEP	does not affect BEP	none of the above
88	Increase in selling price	increase contribution	decreases contribution	decreases fixed cost	none of the above
89	P/V Ratio is improved by	reducing fixed cost	reducing variable cost	increasing fixed cost	none of the above
90	M/S is expressed as	Profit / P/V ratio	Actual sales – BES	both a and b	none of the above
91	Selling price per unit is ` 10 variable cost per unit is ` 6 Fixed cost ` 2,000 contribution will be	` 4	` 6	` 3	200
92	Sales ` 15, contribution ` 3 P/V ratio will be	30%	20%	35%	40%
93	Sales ` 10 variable cost ` 4, P/V ratio will be	60%	70%	80%	20%
94	Variable cost ` 4 contribution ` 4 P/V ratio will be	40%	50%	30%	20%
95	Variable cost to sales ratio 40% P/V ratio will be	60%	50%	20%	25%
96	Selling price ` 10 per unit variable cost per unit ` 4 P/V ratio will be	60%	25%	35%	40%
97	BE sales 1,600 units actual sales 2,000 units M/S will be	400 unit	500 unit	700 unit	300 unit
98	Profit is ` 2,400. P/V ratio 60%. M/S will be	400 unit	200 unit	600 unit	700 unit
99	BE sales 70% M/S will be	` 4,000	` 3,800	` 4,500	` 6,500
100	P/V ratio 40% M/S 20% BEP ` 200 lakhs sales will be	30%	25%	28%	35%
101	BEP ` 16,000 P/V ratio 60% fixed cost will be	250 lakhs	150 lakhs	100 lakhs	220 lakhs
102	Sales ` 80,000. Variable cost ` 48,000. P/V ratio will be	` 9,600	` 9,000	` 9,200	` 4,800

103	Fixed cost ` 4,000 BEP ` 10,000 P/V ratio will be	40%	25%	50%	30%
104	What distinguishes absorption costing from marginal costing?	Product cost include both prime cost and production overeads	Product cost include both production non-production overeads	Stock valuation includes a share of all production costs	Stock valuation includes a share of all costs
105	The Marginal cost statement	Shows the gross profit	is sent to the shareholders	shows classification of costs as direct and indirect	can be used to predict future profits at different levels of activity
106	CVP analysis required costs to be categorized as	Fixed or variable	direct or indirect	product or period	standard or actual
107	Contribution equals	Sales minus cost of sa	Sales minus cost of proc	Sales minus variable costs	Sales minus fixed costs
108	The sales volume in value required to earn the traget profit, the formula is	Target profit / contribution per unit	(Fixed cost + Target profit) X P/V ratio	(Fixed cost + Target profit) / contribution per unit	(Fixed cost + Target profit) / P/V ratio
109	There is a reduction in selling price. This will, other factors remaining the same -	Increases the contribution margin	reduce fixed costs	increases variable costs	reduce operating income
110	There is an increase in advertising expenses. This will, other factors remaining the same -	reduce operating income	reduce contribution	decreases selling price	increase variable costs
111	The total cost of manufacturing 4000 units of a product is Rs 450000 which includes fixed costs of Rs. 250000. If the company desires to produce 5000 units, then the total cost will be -	Rs.527778	Rs.520000	Rs.500000	Rs.495000
112	The total cost of manufacturing 3600 units of product X is Rs 81000 which includes variable costs per unit of Rs. 15. If the company desires to produce 3850 units, then the total cost will be -	Rs.86625	Rs.84750	Rs.57750	Rs.52250
113	P Ltd incurs fixed cost of Rs. 100000 per annum. The company manufactures a single product and sells it for Rs. 50 per unit. If the contribution to sales ratio is 40%, the break even sales in units are	5000	6000	6500	7000
114	A company manufactures single product with a variable cost per unit of Rs. 22. The contribution to sales ratio is 45%. Month fixed costs are Rs. 198000. What is the breakeven point in units?	4950	9000	11000	20000

115	A Ltd. Manufactures and sell product B. The sale price per unit of the product is Rs. 35. The company will incur a loss of Rs. 5 per unit if it sells 4000 units; but if the volume is raised to 12000 units, the company will make profit of Rs. 4.5 per unit. The breakeven point in units is	5700	6612	5250	6162
116	The profit volume ratio and margin of safety ratio are 30% and 40% respectively. If the total sales is Rs, 300000, the proft of the firm is	Rs. 54000	Rs. 48000	Rs. 36000	Rs. 30000
117	A company manufactures a single product which it sells for Rs. 15 per unit. The product has a contribution to sales ratio of 40%. The company's weekly break-even point is sales of Rs. 18000. What would be the profit in a week when 1500 units are sold?	Rs. 900	Rs. 1800	Rs. 2700	Rs. 4500
118	An organisation manufactures a single product. The total cost of making 4000 units is 20000 and total cost of making 20000 units is 40000. Within this range of activity the total fixed costs remain unchanged. What is the variable cost per unit of the product?	Rs. 0.80	Rs. 1.20	Rs. 1.25	Rs. 2.00
119	5400 units of a company's single product were sold for a total revenue of Rs. 140400. Fixed costs in the period were Rs. 39420 and net profit was Rs. 11,880. What was the contribution per unit?	Rs.7.30	Rs.9.50	Rs.16.50	Rs.18.70
120	Sales are Rs. 320000, fixed costs are 80000 and variable costs are Rs. 120000. What is the safety margin?	Rs. 18900	Rs. 20000	Rs. 192000	Rs. 128000
121	An organisation manufactures a single product which has a variable cost of Rs. 36 per unit. The organisation's total weekly costs are 81000 and it has a contribution to sales ratio of 40%. This week it plans to manufacture and sell 5000 units. What is the organisation's margin of safety in units?	1625	2750	3375	3500
122	An organisation's break even point is 4000 units at a sales price of Rs. 50 per unit, variable cost of Rs. 30 per unit. And total fixed cost of Rs. 80000. If the company sells 500 additional units, by how much will its profit increase?	Rs. 25000	Rs. 15000	Rs. 12000	Rs. 37000

123	Banta Ltd. Manufactures product KDM for last ten years. The company maintains a margin of safety of 36% with an overall contribution to sales ratio of 35%. If fixed cost is Rs. 8.4 Lakh, the profit of the company is	Rs. 11.400 lakh	Rs. 24.00 lakh	Rs. 4.725 lakh	Rs. 8.644 lakh
124	A company wishes to make a profit of Rs. 150000. It has fixed costs of Rs. 75000 with a C/S ratio of 0.75 and a selling price of Rs. 10 per unit. How many units the company need to sell in order to achieve the required level of profit?	10000 units	15000 units	22500 units	30000 units
125	A company has a profit volume ratio of 20%. To maintain the same contribution, by what % must sales be increased to offset 10% reduction in selling price?	10	20	100	50
126	The following data is obtained from the the records of the plum Ltd: Particulars First Year (Rs.) Second Year (Rs.) Sales 128000 144000 Profit 16000 22400 The break even sales of the company in rupees is	Rs. 136000	Rs. 100000	Rs. 880000	Rs. 90000
127	CVPA is an acronym for ?	Cost Volume Profit Analysis	Costing Value Profit Analysis	Contribution Value Percentage Analysis	Contribution Volume Profit Analysis
128	Which of the following is the assumption of CVP Analysis ?	Variable Cost per unit is not same at all levels of output	Profit cannot be maximised by maximising contribution	Fixed Costs are constant during each period	Total cost cannot be separated into two components
129	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
130	Measurable value of an alternative use of resources is	Imputed cost	Sunk cost	Opportunity cost	Differential cost

131	A company manufactures and sells 2 products (X and Y) both of which utilise the same skilled labour. For the coming period, the supply of skilled labour is limited to 2000 hours. Data relating to each product are as follows: Product X Y Selling price per unit 20 40 Variable cost per unit 12 30 Skilled labour hours per unit 2 4 Maximum demand per period 800 400 In order to maximise profit in the coming period, how many units of each product should the company manufacture and sell?	200 units of X and 400 units of Y	400 units of X and 300 units of Y	600 units of X and 200 units of Y	800 units of X and 100 units of Y
132	A company manufactures and sells a single product. The variable cost of the product is Rs. 2.5 per unit and all production each month is sold at a price of Rs. 3.70 per unit. A potential new customer has offered to buy 6000 units per month at a price of Rs. 2.95 per unit. The company has sufficient spare capacity to produce this quantity. If the new business is accepted, sales to existing customers are expected to fall by 2 units for every 15 units sold to the new customer. What would be the overall increase in monthly profit which would result from accepting the new business?	Rs. 1740	Rs. 2220	Rs. 2340	Rs. 2700
133	A company would sell 4000o units of a product if the unit selling price was set at Rs. 10 and these would generate a total contribution of Rs. 1,60,000. If the unit selling price was reduced to Rs. 9.50 then sales of 44000 units would result. Setting unit selling price of Rs, 10.50 and 11 would result in sales of 36000 and 31000 units respectively. Which selling price would generate the highest total contribution?	Rs. 9.50	Rs. 10	Rs. 10.5	Rs.11
134	A company currently produces 6000 units of its single product each period, incurring total variable costs of Rs. 60000 and fixed cost of Rs. 42000. Production will increase to 8000 units per period if the company expands capacity resulting in changes both to the variable costs per unit and to the total fixed costs. For production of 8000 units per period total variable costs would be Rs. 76000 and fixed cost Rs. 50000. What is the reduction in total cost per unit comparing the costs for 8000 units per period with the units costs currently being incurred?	Rs. 0.50	Rs. 0.75	Rs. 1.25	Rs. 2.08

135	Assume that no limiting factor is in operation, which of the following statements is true with regards to taking a decision of buying the component from outside rather than making it inhouse?	If the bought out price of component is lower than its marginal cost, company should buy the component	If the bought out price of the component is higher than its marginal cost, company should buy the component	If the bought out price of component is higher than its total cost, company should buy the component	If the bought out price of component is higher than its fixed cost, company should but the component
136	Contribution per unit of Product P, Q and R is Rs. 30, 20 and 40 respectively. Direct Material required per unit of P, Q and R is : 3 kgs, 4 kgs and 5 kgs respectively. What is the Contribution per kg for Product P ?	Rs. 10	Rs. 5	Rs. 8	Rs. 15
137	When making a decision between manufacturing a component or outsourcing its production, the information required is: i. The internal variable manufacturing cost per component ii. The monthly volume of compnents required iii. The internal fixed overhead absorption rate per compenent iv. the monthly specific fixed cost total for the component v. the purchase price of the compenent from the external supplier	i and v	I, iii and v	I, ii, iv and v	I, ii, iii and v
138	A cost that cannot be changed by any decision made now is	Sunk cost	Opportunity cost	Indirect cost	Mixed cost
139	A shut down point is the point at which	Operating loss is equal to the loss due to shut down	Contribution is less than fixed cost	Contribution is equal to fixed cost	None of these
140	In make or buy decision	Marginal cost and purchase price should be considered	Total cost and purchase price should be considered	Fixed cost & marginal cost should be considered	None of these
141	In a decision situation which one is the cost not likely to contain a variable cost component.	Material	Labour	Overhead	Direct expenses
142	In a situation when the decision is to be taken about acceptance or rejection of special orders where there is a sufficient idle capacity which one is not relevant for decision making.	Absorption cost	Variable cost	Differential cost	Incremental cost
143	A company manufactures two products X & Y. The contribution per unit is ` 40 and ` 30 respectively. Product X requires 10 hrs. per unit and product Y requires 6 hrs. per unit. If time is the limiting factor the most profitable product will be	Y	X	Both X & Y	None of these

144	If 1,00,000 units are manufactured, total cost incurred is Rs. 30 lakhs. If 1,20,000 units are manufactured, total cost incurred is Rs. 35 lakhs. What is the differential cost per unit?	Rs. 5,00,000	Rs. 5	Rs. 25	Rs. 20
145	Cost variance is a difference between _____ and _____.	Standard, actual cost	Material, Labour, expenses	Production Manager, Sales Manager	None of the above
146	Cost variance = Actual Cost – _____.	Standard cost	Actual Cost	Variance	None of the above
147	Material Cost Variance is favourable when actual cost is _____ than the standard cost.	Less	More	Controllable	None of the above
148	_____ variance arises due to controllable factors.	Controllable	Non-controllable	Abnormal gain	None of the above
149	_____ _____ variance arises due to non-controllable factors.	Abnormal gain	Non-controllable	Controllable	None of the above
150	_____ _____ variance arises due to change in the mix of material.	Labour Mix Variance	Material mix	Material yield	None of the above
151	_____ _____ variance arises due to change in wastage.	Material mix	Material yield	Labour Mix Variance	None of the above
152	Labour efficiency variance shows _____ of labour.	Controllable	Efficiency	Idle Time Variance	None of the above
153	Idle time variance is always _____.	Variance	Adverse	Change in wastage	None of the above
154	Change in composition of labour causes _____ _____ _____.	Material yield	Idle Time Variance	Labour Mix Variance	None of the above
155	Fixed overhead calender variance arises due to change in the number of _____.	Week	Year	Days	None of the above
156	_____ _____ is responsible for efficient buying.	Production manager	Sales manager	Purchase Manager	None of the above
157	_____ _____ _____ labour strike causes.	Idle Time Variance	Labour Mix Variance	Adverse	None of the above
158	Overheads include indirect _____ indirect _____ and indirect _____.	Material, Labour, expenses	Standard, actual cost	Production Manager, Sales Manager	None of the above
159	Difference between standard cost and actual cost is called as:	Variance	Profit	Loss	Wastage
160	Excess of actual cost over standard cost is a	Favourable variance	Unfavourable variance	Abnormal gain	None of the above
161	Excess of standard cost over actual cost is a	Favourable variance	Unfavourable variance	Abnormal gain	none of the above

162	Material cost variance is favourable when	Actual cost of material is more than std. material cost	Standard cost of material is more than actual cost of material	Actual quantity of material is more than standard quantity of material	None of the above
163	Material cost variance is non controllable when it arises due to	Change in quantity	Change in wastage	Change in tax rate	None of the above
164	Material mix variance is a difference between	SMC – AMC	SQ – AG	SCSM – SCAM	None of the above
165	Material yield variance arises due to change in the	Wastage	Input	Output	None of the above
166	Material cost variance is equal to	MPV + MUV	MUV + MYV	MYV + MPV	MPV + MUV + MYV
167	Labour cost variance is a difference between	Std. labour cost and actual labour cost	Std. labour hrs – actual labour hrs	Std. labour rate – actual labour rate	None of the above
168	Favorable labour efficiency variance indicates	Improvement in labour efficiency	Improvement in quality	Cost reduction	None of the above
169	Labour rate variance is favourable when	Actual rate is lower than the std. rate	Actual time is less than std. time	Actual rate is higher than std. rate	None of the above
170	Idle time variance is always	Favourable	Unfavourable	Controllable	None of the above
171	Labour mix variance is	SLH – ALH	SLR – ALR	std. cost – actual cost	SCSLM – SCALM
172	Labour yield variance is	SLC – ALC	SLR – ALR	Idle hrs × std. rate	SLY – ALY × SR
173	Overheads include	Indirect material, indirect labour	Indirect material, indirect labour, indirect expenses	Fixed overheads	None of the above
174	Variable overhead variance is	std. cost – actual cost	std. variable overheads – actual variable overheads	std. output –actual output	None of the above
175	Fixed overheads variance is favourable when	Actual fixed overheads are less than std fixed overheads	std. fixed overheads are less than actual fixed overheads	std. fixed overheads are equal to actual fixed overheads	None of the above
176	Fixed overheads expenditure variance is a difference between	Budgeted fixed overhead and actual fixed overheads	std. fixed overheads and actual fixed overheads	Fixed over heads and variable over heads	None of the above

177	Fixed overhead efficiency variance is a difference between	Recovered overheads – std. over heads	std. cost – actual cost	std. hours – actual hours	None of the above
178	Fixed overheads capacity variance is a difference between	std. overheads and budgeted overheads	Fixed overheads and actual overheads	std. capacity and actual capacity	None of the above
179	Fixed overheads calendar variance arises due to	Change in the number of working days	Change in the labour hours	Change in output	Change in input
180	Sales value variance is	SPV + SVV	SPV + SMV	Budgeted sale – actual sale	None of the above
181	Sales volume variance is	SQV + SMV	SVV + SQV	SPV + SQV	None of the above
182	Sales volume variance is	(AQ – SQ) × SP	(AP – SP) × AQ	AM – SM	None of the above
183	Sales mix variance is	SSVAM – SSVRSM	SCSM – SCAM	SLH – ALH × SR	None of the above
184	Idle time variance is caused due to	Power Failure	Change in quantity	Change in efficiency	None of the above
185	The manager responsible for idle time variance is	Production manager	Sales manager	M.D.	Chief accountant
186	Purchase manager is responsible for	Efficient buyer	Labour problem	Poor maintenance	None of the above
187	Labour strike causes	Material price variance	Idle time variance	Material yield variance	None of the above
188	In a factory where standard cost system is operating 2,000 kgs or a material @ ` 12 per kg are used for a product resulting in a price variance of ` 6,000 F and usage variance of ` 3,000 (Adv). Then standard material cost for actual production was	` 24,000	` 27,000	` 36,000	` 38,000
189	Standard price for 4,850 Kg of material is Rs. 14,550. The material price variance was 2425 (A). Calculate the actual price per kg	3	3.25	3.5	3.75

190	A company budgets for fixed over heads of ` 24,000 and production of 4,800 units. Actual production is 4,200 units and fixed over heads incurred is ` 22,000. The fixed over heads volume variance is	3,000 A	1,500 A	2,500 F	3,500 F
191	XYZ Ltd purchased 6,850 of material for ` 21,920. The material price variance was ` 1,370 (f). The standard price per kg was	` 3.40	` 3.25	` 3.15	None of the above
192	The standard hourly rate was 1.40. The actual rate was 1.30. The labour rate variance was 600 favourable. Find the actual labour hours (AH).	6,000	6,400	1,000	1,500
193	Identify the characteristic of Idle time variance.	It is always favourable	It is always Adverse	It is always abnormal	It is always fair
194	How is the nature of Idle time variance always?	Favourable	Unfavourable	Controllable	None of the above
195	Fixed overheads expenditure variance is a difference between which of the following overheads?	Budgeted fixed overhead and actual fixed overheads	std. fixed overheads and actual fixed overheads	Fixed over heads and variable over heads	Standard fixed overheads and variable overheads
196	Material cost variance is non controllable when it arises due to any one of the following reasons.Identify	Change in quantity	Change in wastage	Change in tax rate	Change in quality
197	Which of the following best describes a basic standard?	A standard set at an ideal level, which makes no allowance for normal losses, waste and	A standard which assumes an efficient level of operation, but which includes allowances for	A standard which is kept unchanged over a long period of time	A standard which is based on current price levels
198	Which of the following statements about ideal standards is false ?	It is called theoretical or maximum efficiency standard	These are standard costs that are set for production under optimal condition	It makes no allowance for wastage, spoilage and machine breakdowns	It can be used for cash budgeting or product costing
199	Standard - 2,400 units at the rate of ` 20 per unit, Actual - 2,600 units at the rate of ` 19 per unit, The material cost variance is	2600 A	1400 F	2400 A	1400 A
200	During a period, 17,500 labour hours were worked at a standard cost of ` 6.50 per hour. If the labour efficiency variance is ` 7,800 (favourable), the standard direct labour hours are	20000	19200	18700	18500