Sample Questions Class : TY B.Com (Accounting & Finance)Examination Code: 2C00456 Semester VI/CBCS
Subject : Cost Accounting IV Paper Code 85602

Sr. No	Question	Option A	Option B	Option C	Option D	Correct Answer	Module
1	One of the element 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	defines the responsibility of each employee	Module 1
2	The non availability of scarce factor can _________	increase the production	increase the sale	stop the production	produtio remains constant	stop the production	Module 1
3	Flexible budgets are useful for	planning purpose only	planning performance evaluation and feedback control	control of performance only	performance only	planning purpose only	Module 1
4	Which is of the budget is prepared for a long period of time	production budget	purchase budget	cash budget	capital expenditure budget	capital expenditure budget	Module 1
5	A flexible budget takes into account	fixed cost only	variable cost only	semi-variable cost only	fixed, variable and semi-variable cost	fixed, variable and semi-variable cost	Module 1
6	Budget period depends on	type of budget	management policy	government policy	taxation policy	management policy	Module 1
7	The object of budgetary control is	planning purpose only	organising	past experince	taxation policy	planning purpose only	Module 1
8	Budget manual is a	detailed information plans , policies, procedures and operations	Annual magazine	note book	budgeted prepared manually	detailed information plans , policies, procedures and operations	Module 1
9	Performance of any organisation depends on	political factors only	social factors	critical factor	emotional factor	critical factor	Module 1
10	Sales budget shows	estimate of future sales	estimate fo future production	estimate of inventory	estimates of labour	estimate of future sales	Module 1

11	Production budget is expressed in	quantity only	cost only	quantity and cost	price	quantity only	Module 1
12	The budget which helps to plan and control of cash is	production budget	Cash budget	Sales budget	flexible budget	Cash budget	Module 1
13	The budget which is dynamic is	Fixed budget	Flexible budget	cash budget	Sales budget	Flexible budget	Module 1
14	The budget which covers all the functional budget is	Master budget	sales budget	production budget	Cost budget	Master budget	Module 1
15	Production cost budget shows	Budgeted cost of production	Budgeted cost of sales	Budgeted purchases	Budgeted capacity	Budgeted cost of production	Module 1
16	The scarce factor of production is knowns as_________	limiting factor	least factor	latest factor	largest factor	limiting factor	Module 1
17	Flexible budget is drawn for ________level of activity	one year	multiple	three	fixed	multiple	Module 1
18	Budgetary control is costly for organisation	small	large	corporate	industry	small	Module 1
19	Sales budget shows estimate of ______sale	future	past	present	standard	future	Module 1
20	______________ Cash budget shows budgeted	receipts and payments	income and expenditure	profit and loss	under absorption and overabsorptin	receipts and payments	Module 1
21	is taken for comparison from previous year	flexible	fixed cost per unit	current	basic budget	basic budget	Module 1
22	~~Sales budge~~t is prepared by ___________manager	production	sales	assistant	purchase	sales	Module 1
23	is shown in receipts column in cash budget	rent received	rent paid	credit sales	depreciation	rent received	Module 1
24	___________are not considered in cash budget	Preliminary expenses	cash sales	sales commission paid	rent received	Preliminary expenses	Module 1
25	Contribution is equal to ?	Fixed Cost + Profit	Sales + Variable Cost	Fixed Cost + Variable Cost	Sales + Fixed Cost	Fixed Cost + Profit	Module 2 & 3
26	Which of the following costs will be deducted from Sales	Direct Materials	Office Rent	Fixed Factory Overheads	Sale of scrap	Direct Materials	Module 2 & 3

	Revenue for calculating Contribution?						
27	P/V ratio is equal to ?	Profit/Fixed Cost	Contribution/Sales	Profit/Contribution	Profit/Sales	Contribution/Sales	Module 2 & 3
28	What is the formula to calculate Break Even Point ?	Fixed Cost / PV Ratio	Fixed cost X Sales/Total Contribution	Fixed Cost / Contribution per unit	Fixed Cost / Total Contribution	Fixed Cost / Contribution per unit	Module 2 & 3
29	What will happen to Break Even Point if Variable Cost increases ?	Break Even Point Increases	Break Even Point Decreases	Break Even Point Remains the Same	Break Even Point Becomes Zero	Break Even Point Increases	Module 2 & 3
30	What is the formula to calculate Margin of Safety ?	Profit / Fixed Cost	Actuals Sales - Break Even Point Sales	Contribution/Sales	Profit/Contribution	Actuals Sales - Break Even Point Sales	Module 2 & 3
31	CVPA stands for ?	Cost Volume Profit Analysis	Cost Value Profit Analysis	Contribution Volume Profit Analysis	Contribution Value Profit Analysis	Cost Volume Profit Analysis	Module 2 & 3
32	The selling price per unit less the variable cost per unit is known as ?	Fixed cost per unit	Gross profit per unit	Net profit per unit	Contribution per unit	Contribution per unit	Module 2 & 3
33	At Break Even Point , contribution will be equal to ?	Variable cost	Fixed cost	Sales	Zero	Fixed cost	Module 2 & 3
34	Which of the following options best describes the utility of CVP Analysis ?	It is used as a tool of Profit Planning	It is used for for taxation planning purposes	It is used to prepare external financial statements	It is used to correct financial results	It is used as a tool of Profit Planning	Module 2 & 3
35	The P/V Ratio of a company is 20%, contribution is Rs. 1,00,000, what would be the Sales of the company ?	1,00,000	2,00,000	4,00,000	5,00,000	5,00,000	Module 2 & 3
36	Which costing technique charges Fixed as well as Variable Costs to the products ?	Absorption Costing	Marginal Costing	Standard Costing	Contract Costing	Absorption Costing	Module 2 & 3

37	Which of the following is the assumption of Marginal Costing ?	Operating Efficiency will increase	There will be a change in the selling price per unit	Variable Cost per unit will increase	Fixed Cost will remain constant	Fixed Cost will remain constant	Module 2 & 3
38	Which cost is treated as period cost ?	Variable Cost	Fixed Cost	Total Cost	Semi Variable Cost	Fixed Cost	Module 2 & 3
39	Which of the following is the limitation of Absorption Costing ?	It takes into consideration Cost Volume Relationship	It charges fixed costs to the products	It does not include Fixed Cost in Closing Stocks	It helps in taking product mix decision	It charges fixed costs to the products	Module 2 & 3
40	Which cost is also known as Variable Cost?	Marginal Cost	Fixed Cost	Total Cost	Semi Variable Cost	Marginal Cost	Module 2 & 3
41	A chart which indicates different amount of sales and costs at different volumes is known as	Break Even Chart	Break Revenue Chart	P/V Ratio Chart	Profit Chart	Break Even Chart	Module 2 & 3
42	Which of the following is the limitation of Marginal Costing ?	Separation of costs into fixed and variable is difficult	Marginal Costing does not help in profit planning	Marginal Costing does not help in taking managerial decisions	Marginal Costing does not help in production planning.	Separation of costs into fixed and variable is difficult	Module 2 & 3
43	What is the P/V Ratio if Selling Price Per Unit is Rs. 20, Variable Cost per unit is Rs. 8 ?	20%	25%	50%	60%	60%	Module 2 & 3
44	For Alpha Ltd. Profits for Year 1 are Rs. 10,000 and Profits for Year 2 are Rs. 20,000. For this company, Sales for Year 1 are Rs. 50,000 and Sales for Year 2 are Rs. 1,00,000. What is the P/V Ratio ?	20%	25%	50%	60%	20%	Module 2 & 3
45	P/V Ratio of a company is 30%, What is the Variable Cost of this company, if Sales is Rs. 9,00,000	2,70,000	6,30,000	2,00,000	6,50,000	6,30,000	Module 2 & 3

46	Fixed Cost of a Company is Rs. 2,00,000 , P/V Ratio is 50%. How much sales company should undertake to earn profits of Rs. 2,00,000?	Rs. 10,00,000	Rs. 8,00,000	Rs. 4,00,000	Rs. 6,00,000	Rs. 8,00,000	Module 2 & 3
47	Contribution to Sales Ratio of a company is 40%, therefore Variable Cost is how much percentage of Sales ?	40%	60%	100%	Cannot be determine d	60%	Module 2 & 3
48	Total Fixed Cost of a company is Rs. 10,00,000 and Contribution per unit is Rs. 10. What will be the Break Even Point of the company in units ?	10,000 units	100 units	1,000 units	1,00,000 units	1,00,000 units	Module 2 & 3
49	If Margin of Safety if Rs. 20,000 and P/V Ratio is 40%, what will be the profit ?	Rs. 800	Rs. 8000	Rs. 12,000	Rs. 1200	Rs. 8000	Module 2 & 3
50	In Break Even Chart, at Break Even Point which two lines intersect ?	Sales Line and Total Cost Line	Sales Line and Variable Cost Line	Sales Line and Fixed Cost Line	Variable Cost and Fixed Cost Line	Sales Line and Total Cost Line	Module 2 & 3