



Dr.G.R.Damodaran College of Science

(Autonomous, affiliated to the Bharathiar University, recognized by the UGC) Re-
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CRISL rated 'A' (TN) for MBA and MIB Programmes

III BCOM (AM) [2015-2018]

Semester V

Core: COST AND MANAGEMENT ACCOUNTING — 513B

Multiple Choice Questions.

1. Basic objectives of cost accounting is _____.

- A. tax compliance.
- B. financial audit.
- C. cost ascertainment.
- D. profit analysis.

ANSWER: C

2. Direct cost incurred can be identified with _____.

- A. each department.
- B. each unit of output.
- C. each month.
- D. each executive.

ANSWER: B

3. Overhead cost is the total of _____.

- A. all indirect costs.
- B. all direct costs.
- C. indirect and direct costs.
- D. all specific costs.

ANSWER: A

4. Cost classification can be done in _____.

- A. two ways.
- B. three ways.
- C. four ways.
- D. several ways.

ANSWER: D

5. Costing refers to the techniques and processes of _____.

- A. ascertainment of costs.
- B. allocation of costs.
- C. apportion of costs.
- D. distribution of costs.

ANSWER: A

6. Wages paid to a labour who was engaged in production activities can be termed as _____.

- A. direct cost.
- B. indirect cost.
- C. sunk cost.
- D. imputed cost.

ANSWER: A

7. Classification of cost is useful to _____.
- A. to find gross profit.
 - B. to find net profit.
 - C. to identify costs.
 - D. to identify efficiency.

ANSWER: C

8. Elements of costs are _____.
- A. three types.
 - B. four types.
 - C. five types.
 - D. seven types.

ANSWER: A

9. Direct expenses are also called _____.
- A. major expenses.
 - B. chargeable expenses.
 - C. overhead expenses.
 - D. sundry expenses.

ANSWER: B

10. Indirect material used in production is classified as.
- A. office overhead.
 - B. selling overhead.
 - C. distribution overhead.
 - D. production overhead.

ANSWER: D

11. Warehouse rent is a part of _____.
- A. prime cost.
 - B. factory cost.
 - C. distribution cost.
 - D. production cost.

ANSWER: C

12. Indirect material scrap is adjusted along with _____.
- A. prime cost.
 - B. factory cost.
 - C. labour cost.
 - D. cost of goods sold.

ANSWER: B

13. Sale of defectives is reduced from _____.
- A. prime cost.
 - B. works cost.
 - C. cost of production.
 - D. cost of sales.

ANSWER: C

14. Tender is an _____.
- A. estimation of profit.
 - B. estimation of cost.

- C. estimation of selling price.
- D. estimation of units.

ANSWER: C

15. Cost of sales plus profit is _____.

- A. selling price.
- B. value of finished product.
- C. value of goods produced.
- D. value of stocks.

ANSWER: A

16. Prime cost includes.

- A. direct materials, direct wages and indirect expenses .
- B. indirect materials and indirect labour and indirect expenses.
- C. direct materials, direct wages and direct expenses.
- D. direct materials, indirect wages and indirect expenses.

ANSWER: C

17. Total of all direct costs is termed as _____.

- A. prime cost.
- B. works cost.
- C. cost of sales.
- D. cost of production.

ANSWER: A

18. Depreciation of plant and machinery is a part of _____.

- A. factory overhead.
- B. selling overhead.
- C. distribution overhead.
- D. administration overhead.

ANSWER: A

19. Audit fess is a part of _____ .

- A. works on cost.
- B. selling overhead.
- C. distribution overhead.
- D. administration overhead.

ANSWER: D

20. Counting house salary is part of _____.

- A. factory overhead.
- B. selling overhead.
- C. distribution overhead.
- D. administration overhead.

ANSWER: D

21. One of the most important tools in cost planning is _____.

- A. direct cost.
- B. budget.
- C. cost sheet.
- D. marginal costing.

ANSWER: C

22. An example of variable cost is _____.

- A. property tax.
- B. interest on capital.
- C. direct material cost.
- D. depreciation of machinery.

ANSWER: C

23. Cost accounting concepts include all the following except _____.

- A. planning.
- B. controlling.
- C. profit sharing.
- D. product costing.

ANSWER: C

24. Toy manufacturing industry should use _____.

- A. unit costing.
- B. process costing.
- C. batch costing.
- D. multiple costing.

ANSWER: C

25. Job costing used in _____.

- A. paper mills.
- B. chemical works.
- C. printing works.
- D. textile mill.

ANSWER: C

26. When premises are owned, a charge for rent is _____.

- A. production cost.
- B. imputed cost.
- C. marginal cost.
- D. cost of sales.

ANSWER: B

27. A document which provides for the detailed cost centre and cost unit is _____.

- A. tender.
- B. cost sheet.
- C. . invoice.
- D. profit statement.

ANSWER: B

28. Cost unit of a sugar industry can be _____.

- A. per litre.
- B. per tonne.
- C. per acre.
- D. per metre.

ANSWER: B

29. The ascertainment of costs after they have been incurred is known as _____.

- A. marginal costing.
- B. historical costing.
- C. sunk cost.
- D. notional cost.

ANSWER: B

30. Direct material is a _____.

- A. fixed cost.
- B. variable cost.
- C. semi variable cost.
- D. semi fixed cost.

ANSWER: A

31. Direct material is a _____.

- A. manufacturing cost.
- B. administrative cost.
- C. selling cost.
- D. distribution cost.

ANSWER: A

32. The most important element of cost in manufacturing industries is _____.

- A. material.
- B. labour.
- C. direct costs.
- D. indirect costs.

ANSWER: C

33. Continuous stock taking is a part of _____.

- A. annual stock taking.
- B. perpetual inventory.
- C. ABC analysis.
- D. VED analysis.

ANSWER: B

34. The ratios which reflect managerial efficiency in handling the assets is _____.

- A. turnover ratios.
- B. profitability ratios.
- C. short term solvency ratio.
- D. long term solvency ratio.

ANSWER: A

35. The ratios which reveal the final result of the managerial policies and performance is _____.

- A. turnover ratios.
- B. profitability ratios.
- C. short term solvency ratio.
- D. long term solvency ratio.

ANSWER: B

36. Return on investment is a _____.

- A. turnover ratios.
- B. short term solvency ratio.
- C. profitability ratios.
- D. long term solvency ratio.

ANSWER: C

37. Net profit ratio is a _____.

- A. turnover ratio.
- B. long term solvency ratio.
- C. short term solvency ratio.

D. profitability ratio.

ANSWER: D

38. Stock turnover ratio is a _____.

A. turnover ratio.

B. profitability ratio.

C. short term solvency ratio.

D. long term solvency ratio.

ANSWER: A

39. Current ratio is a _____.

A. short-term solvency ratio.

B. long-term solvency ratio.

C. profitability ratio.

D. turnover ratio.

ANSWER: A

40. Proprietary ratio is a _____.

A. short-term solvency ratio.

B. long-term solvency ratio.

C. profitability ratio.

D. turnover ratio.

ANSWER: B

41. Fixed assets ratio is a _____.

A. short-term solvency ratio.

B. long-term solvency ratio.

C. profitability ratio.

D. turnover ratio.

ANSWER: B

42. Fixed assets turnover ratio is a _____.

A. short-term solvency ratio.

B. long-term solvency ratio.

C. profitability ratio.

D. turnover ratio.

ANSWER: D

43. The ratio which measures the profit in relation to capital employed is known as _____.

A. return on investment.

B. gross profit ratio.

C. operating ratio.

D. operating profit ratio.

ANSWER: A

44. The ratio which determines the profitability from the shareholders point of view is _____.

A. return on investment.

B. gross profit ratio.

C. return on shareholders funds.

D. operating profit ratio.

ANSWER: C

45. Return on equity is also called _____.

A. return on investment.

- B. gross profit ratio.
- C. return on shareholders funds.
- D. return on net worth.

ANSWER: D

46. Preliminary expenses is an example of _____.

- A. fixed assets.
- B. current assets.
- C. fictitious assets.
- D. current liabilities.

ANSWER: C

47. Prepaid expenses is an example of _____.

- A. fixed assets.
- B. current assets.
- C. fictitious assets.
- D. current liabilities.

ANSWER: B

48. The ratio which is calculated to measure the productivity of total assets is _____.

- A. return on equity.
- B. return on share holders funds.
- C. return on total assets.
- D. return on equity share holders funds.

ANSWER: C

49. The ratio which shows the proportion of profits retained in the business out of the current years profits is _____.

- A. retained earnings ratio.
- B. pay out ratio.
- C. earnings per share.
- D. price earnings ratio.

ANSWER: A

50. The dividend is related to the market value of shares in _____.

- A. interest cover ratio.
- B. fixed dividend cover ratio.
- C. debt service coverage ratio.
- D. dividend yield ratio.

ANSWER: D

51. Turnover ratio is also known as _____.

- A. activity ratios.
- B. solvency ratios.
- C. liquidity ratios.
- D. profitability ratios.

ANSWER: A

52. Inventory or stock turnover ratio is also called _____.

- A. stock velocity ratio.
- B. debtors velocity ratio.
- C. creditors velocity ratio.
- D. working capital turnover ratio.

ANSWER: A

53. Which ratio is calculated to ascertain the efficiency of inventory management in terms of capital investment _____.

- A. stock velocity ratio.
- B. debtors velocity ratio.
- C. creditors velocity ratio.
- D. working capital turnover ratio.

ANSWER: A

54. Sales-Gross Profit = _____.

- A. net profit.
- B. cost of production.
- C. administrative expenses.
- D. cost of goods sold.

ANSWER: D

55. Opening stock + purchases + direct expenses-closing stock = _____.

- A. net profit.
- B. cost of production.
- C. administrative expenses.
- D. cost of goods sold.

ANSWER: D

56. Which ratio measures the number of times the receivables are rotated in a year in terms of sales _____.

- A. stock turnover ratio.
- B. debtors turnover ratio.
- C. creditors velocity ratio.
- D. working capital turnover ratio.

ANSWER: B

57. Debtors turnover ratio is also called _____.

- A. stock turnover ratio.
- B. debtors velocity ratio.
- C. creditors velocity ratio.
- D. working capital turnover ratio.

ANSWER: B

58. Creditors turnover ratio is also called _____.

- A. stock turnover ratio.
- B. debtors velocity ratio.
- C. accounts payables ratio.
- D. working capital turnover ratio.

ANSWER: C

59. The ratio of current assets to current liabilities is called _____.

- A. liquid ratio.
- B. acid test ratio.
- C. current ratio.
- D. cash position ratio.

ANSWER: C

60. Internationally accepted current ratio is _____.

- A. 1:1.

- B. 2:1.
 - C. 3:1.
 - D. 4:1.
- ANSWER: B

61. Liquid ratio is also called _____.

- A. super quick ratio.
- B. acid test ratio.
- C. current ratio.
- D. cash position ratio.

ANSWER: B

62. Current assets- (stock + prepaid expenses = _____).

- A. current assets.
- B. fixed assets.
- C. liquid assets.
- D. fictitious assets.

ANSWER: C

63. An ideal liquid ratio is _____.

- A. 0.25 : 1.
- B. 0.50 : 1.
- C. 0.75 : 1.
- D. 1 : 1.

ANSWER: D

64. An ideal cash position ratio is _____.

- A. 0.25 : 1.
- B. 0.50 : 1.
- C. 0.75 : 1.
- D. 1 : 1.

ANSWER: C

65. An ideal debt equity ratio is _____.

- A. 1.
- B. 2.
- C. 3.
- D. 4.

ANSWER: A

66. The ratio establishes the relationship between fixed assets and long-terms funds is _____.

- A. current ratio.
- B. fixed assets ratio.
- C. fixed assets turnover ratio.
- D. debt equity ratio.

ANSWER: B

67. The ratio compares the shareholders funds and total tangible assets is _____.

- A. capital gearing ratio.
- B. fixed assets turnover ratio.
- C. proprietary ratio.
- D. debt equity ratio.

ANSWER: C

68. The ratio expresses the relationship between the proprietors funds and the total tangible assets is _____.

- A. capital gearing ratio.
- B. fixed assets turnover ratio.
- C. proprietary ratio.
- D. debt equity ratio.

ANSWER: C

69. The ratio establishes relationship between fixed interest and dividend bearing funds and equity shareholders funds is _____.

- A. capital gearing ratio.
- B. fixed assets turnover ratio.
- C. proprietary ratio.
- D. debt equity ratio.

ANSWER: A

70. Capital gearing ratio is also known as _____.

- A. leverage ratio.
- B. fixed assets turnover ratio.
- C. proprietary ratio.
- D. debt equity ratio.

ANSWER: A

71. Shareholders funds + Long-term loans = _____.

- A. current assets.
- B. current liabilities.
- C. fixed assets.
- D. capital employed.

ANSWER: D

72. Low turnover of stock ratio indicates _____.

- A. solvency position.
- B. monopoly situation.
- C. overinvestment in inventory.
- D. liquidity position.

ANSWER: C

73. Net capital employed is equal to _____.

- A. total assets minus total liabilities.
- B. fixed assets plus net-working capital.
- C. total assets minus long-term liabilities.
- D. total assets.

ANSWER: B

74. Return on investments is a _____.

- A. profit and loss account ratio.
- B. balance sheet ratio.
- C. combined ratio.
- D. turnover ratio.

ANSWER: C

75. Ratio of net profit before interest and tax to sales is _____.

- A. solvency ratio.
- B. capital gearing.

- C. turnover ratio.
- D. operating profit ratio.

ANSWER: D

76. All those assets which are converted into cash in the normal course of business within one year are known as _____.

- A. fixed assets.
- B. current assets.
- C. fictitious assets.
- D. wasting assets.

ANSWER: B

77. All those liabilities which are payable in cash in the normal course of business within a period of one year are called _____.

- A. long term liabilities.
- B. overdraft.
- C. short term loans.
- D. current liabilities.

ANSWER: D

78. Any transaction between a current account and another current account does not Affect _____.

- A. profit.
- B. funds.
- C. working capital.
- D. capital.

ANSWER: B

79. Provision for Income tax is _____ .

- A. non operating income.
- B. operating expense.
- C. operating income.
- D. appropriation of profits.

ANSWER: D

80. The branch of accounting which primarily deals with processing and presenting accounting data for internal use in a concern is _____.

- A. inflation accounting.
- B. cost accounting.
- C. financial accounting.
- D. management accounting.

ANSWER: D

81. The term management accountancy was first used in _____.

- A. 1950.
- B. 1939.
- C. 1910.
- D. 1947.

ANSWER: B

82. Management accounting is also known as _____.

- A. price level accounting.
- B. historical cost accounting.
- C. financial accounting.
- D. decision accounting.

ANSWER: D

83. The prime function of management accounting is to _____.
- A. assist tax authorities.
 - B. assist the management in performing its functions effectively.
 - C. interpret the financial data.
 - D. record business transactions.

ANSWER: B

84. Management accounting provides valuable services to management in performing ____.
- A. coordinating functions.
 - B. controlling functions.
 - C. planning functions.
 - D. all managerial functions.

ANSWER: D

85. Management accounting analyses accounting data with the help of _____.
- A. auditors.
 - B. statutory forms.
 - C. tools and techniques.
 - D. formula.

ANSWER: C

86. Management accounting is suitable for _____.
- A. large industries and trading concerns.
 - B. co-operative societies.
 - C. small businesses.
 - D. non-profit organizations.

ANSWER: A

87. Management accounting and cost accounting functions are _____.
- A. neutral in effect.
 - B. complementary in nature.
 - C. contradictory in nature.
 - D. does not relate to each other.

ANSWER: B

88. Management accounting use _____.
- A. quantitative data only.
 - B. qualitative data only.
 - C. descriptive data only.
 - D. both qualitative and quantitative data.

ANSWER: D

89. The tracing or reassigning of costs to one or more cost objectives is referred to as _____.
- A. cost allocation
 - B. historical costing
 - C. step up costing
 - D. cost apportionment

ANSWER: A

90. Production cost under marginal costing includes _____.
- A. prime cost only .
 - B. prime cost and fixed overhead .

- C. prime cost and variable overhead.
 - D. prime cost, variable overhead and fixed overhead.
- ANSWER: C

91. Contribution margin is also known as _____.

- A. marginal income .
- B. gross profit.
- C. net profit.
- D. net loss.

ANSWER: A

92. Period costs are _____.

- A. overhead costs .
- B. prime cost.
- C. variable cost.
- D. fixed costs.

ANSWER: D

93. Contribution margin is equal to _____.

- A. fixed cost - loss.
- B. profit + variable cost.
- C. fixed cost- profit.
- D. sales- profit.

ANSWER: A

94. Profit volume Ratio is an indicator of _____.

- A. the rate at which goods are sold .
- B. the volume of sales .
- C. the volume of profit.
- D. the rate of profit.

ANSWER: D

95. Margin of Safety is the difference between _____.

- A. planned sales and planned profit .
- B. actual sales and break-even sales.
- C. planned sales and actual sales .
- D. planned sales and planned expenses.

ANSWER: B

96. An increase in variable costs _____.

- A. increases p/v ratio .
- B. increases the profit.
- C. reduces contribution .
- D. increase margin of safety.

ANSWER: C

97. An increase in selling price _____.

- A. increases the break-even point.
- B. decreases the break-even point.
- C. does not affect the break-even point.
- D. optimize the break even point.

ANSWER: B

98. A large Margin of Safety indicates _____.

- A. over production.
- B. over capitalization .
- C. the soundness of the business.
- D. under capitalization.

ANSWER: C

99. Angle of incidence is _____.
- A. the angle between the sales line and the total cost line.
 - B. the angle between the sales line and the y-axis.
 - C. the angle between the sales line and the x-axis.
 - D. the angle between the sales line and the total profit line.

ANSWER: A

100. Absorption costing is also known as _____ .
- A. historical costing.
 - B. real costing.
 - C. marginal costing.
 - D. real costing .

ANSWER: A

101. Under marginal costing stock are valued at _____.
- A. fixed cost.
 - B. semi-variable cost.
 - C. variable cost.
 - D. market price.

ANSWER: C

102. Absorption costing lays emphasis on _____.
- A. production.
 - B. sales.
 - C. marketing .
 - D. advertising .

ANSWER: A

103. Marginal costing lays emphasis on _____.
- A. production.
 - B. sales.
 - C. marketing .
 - D. advertising .

ANSWER: B

104. Selling price - marginal cost = _____.
- A. fixed cost.
 - B. semi-variable cost.
 - C. contribution.
 - D. break-even point.

ANSWER: C

105. Total sales - total variable cost _____.
- A. fixed cost.
 - B. semi-variable cost.
 - C. contribution.
 - D. break-even point.

ANSWER: C

106. Fixed cost + profit = _____.

- A. fixed cost.
- B. semi-variable cost.
- C. margin of safety.
- D. contribution.

ANSWER: D

107. A high P/V ratio indicates _____.

- A. high profitability.
- B. low profitability.
- C. high loss.
- D. break even.

ANSWER: A

108. A low P/V ratio indicates _____.

- A. high profitability.
- B. low profitability.
- C. high loss.
- D. break even.

ANSWER: B

109. Fixed cost / P/V ratio = _____.

- A. break even point.
- B. margin of safety.
- C. contribution.
- D. variable cost.

ANSWER: A

110. Profit / P/V ratio = _____.

- A. break even point.
- B. margin of safety
- C. contribution.
- D. variable cost.

ANSWER: B

111. Sales x P/V ratio- fixed cost = _____.

- A. break even point.
- B. margin of safety.
- C. profit/ loss.
- D. variable cost.

ANSWER: C

112. Office rent is an example of _____.

- A. fixed cost.
- B. variable cost.
- C. semi-variable cost.
- D. direct cost.

ANSWER: A

113. Raw material is an example of _____.

- A. fixed cost.
- B. variable cost.
- C. semi-variable cost.

D. direct cost.

ANSWER: B

114. Depreciation is an example of _____.

- A. fixed cost.
- B. variable cost.
- C. semi-variable cost.
- D. direct cost.

ANSWER: A

115. Marginal costing is a technique of _____.

- A. cost reduction.
- B. cost control.
- C. budgeting.
- D. standard costing.

ANSWER: B

116. The costs which increase or decrease in proportion to the output and sales are known As _____.

- A. fixed cost.
- B. variable cost.
- C. semi-variable cost.
- D. total cost.

ANSWER: B

117. Break even point is also called _____.

- A. no profit, no loss point.
- B. profit zone.
- C. loss zone.
- D. profit and loss zone.

ANSWER: A

118. Break even chart is a graphical representation of _____.

- A. absorption costing.
- B. marginal costing.
- C. full costing.
- D. contract costing.

ANSWER: B

119. Contribution - fixed cost = _____.

- A. sales .
- B. variable cost.
- C. profit.
- D. fixed cost.

ANSWER: C

120. Break even sales x P/V ratio = _____.

- A. variable cost.
- B. fixed cost.
- C. semi-variable cost.
- D. contribution.

ANSWER: B

121. The budget is a _____.

- A. a post-mortem analysis .

- B. a substitute of management .
- C. an aid to management .
- D. calculation .

ANSWER: C

122. One of the most important tools of cost planning is _____.

- A. budget.
- B. direct cost.
- C. unit cost.
- D. cost sheet.

ANSWER: A

123. Sales budget is a _____.

- A. Functional budget.
- B. Expenditure budget.
- C. Master budget .
- D. Flexible budget.

ANSWER: A

124. The budget which usually takes the form of budgeted profit and loss account and balance sheet is known as _____.

- A. Flexible budget .
- B. Master budget.
- C. Cash budget .
- D. Purchase budget.

ANSWER: B

125. Which of the following is usually a long-term budget _____.

- A. Fixed budget.
- B. Cash budget.
- C. Sales budget.
- D. Capital expenditure budget.

ANSWER: D

126. The fixed-variable cost classification has `a special significance in the preparation of _____.

- A. Capital budget.
- B. Cash budget.
- C. Master budget .
- D. Flexible budget .

ANSWER: D

127. Operation budgets normally cover a period of _____.

- A. one to ten years.
- B. one to two years.
- C. one to five years.
- D. one year or less.

ANSWER: D

128. The entire process of preparing the budgets is known as _____.

- A. Planning.
- B. Organizing.
- C. Budgeting.
- D. Controlling.

ANSWER: C

129. Budgetary control starts with _____.

- A. Planning.
- B. Organizing.
- C. Budgeting.
- D. Controlling.

ANSWER: C

130. Budget designed to remain constant irrespective of the level of activity attained is called _____.

- A. Fixed budget.
- B. Flexible budget.
- C. Sales budget.
- D. Production budget.

ANSWER: A

131. Long-term budgets are prepared for _____.

- A. 1 year.
- B. 1-3 years.
- C. 1-5 years.
- D. 5-10 years.

ANSWER: D

132. The budget which shows the budgeted quantity of output to be produced during a specific period is _____.

- A. Fixed budget.
- B. Flexible budget.
- C. Sales budget.
- D. Production budget

ANSWER: D

133. Material consumption budget is prepared on the basis of _____.

- A. Production budget.
- B. Sales budget.
- C. Fixed budget.
- D. Flexible budget.

ANSWER: A

134. Material budget consists of two parts, one is the consumption budget and another is _____.

- A. Material purchase budget.
- B. Material sales budget.
- C. Material production budget.
- D. Material budget.

ANSWER: A

135. Materials purchase budget is prepared on the basis of _____.

- A. Material sales budget.
- B. Material consumption budget.
- C. Material production budget.
- D. Material budget.

ANSWER: B

136. A fixed budget is prepared for only _____.

- A. One level of activity.
- B. Range of activity.

- C. Two level of activity.
- D. Three level of activity.

ANSWER: A

137. The budget starts without any base is _____.

- A. Master budget.
- B. Flexible budget.
- C. Zero base budgeting.
- D. Fixed budget.

ANSWER: C

138. In production budget closing stock is added with _____.

- A. expense.
- B. sales.
- C. purchase.
- D. material.

ANSWER: B

139. In production budget opening stock is deducted with _____.

- A. expense.
- B. sales.
- C. purchase.
- D. material.

ANSWER: B

140. Material requisition is meant for _____.

- A. purchase of material.
- B. supply of material from stores.
- C. sale of material.
- D. storage of material.

ANSWER: B

141. Stock control through stock levels and EOQ is called _____.

- A. demand and supply method.
- B. perpetual inventory system.
- C. control by important and exception
- D. automatic order method.

ANSWER: B

142. JIT inventory system is _____.

- A. Just In Time.
- B. Just Inventory Time.
- C. Job In Time.
- D. Job Inventory Time.

ANSWER: A

143. Perpetual inventory system involves _____.

- A. bincard and stores ledger.
- B. bill of material and material requisition.
- C. purchase requisition and purchase order.
- D. inward and outward invoices.

ANSWER: A

144. FIFO is _____.

- A. Fast Investment in Future Order.
- B. First In First Out.
- C. Fast In Fast Out
- D. Fast Issue Of Fast Order.

ANSWER: D

145. LIFO method of pricing of materials is more suitable when _____.

- A. material prices are rising.
- B. material prices are falling.
- C. material prices are constant.
- D. material prices are fluctuating.

ANSWER: A

146. Average method of pricing the material issues is useful when _____.

- A. material prices are rising.
- B. material prices are falling.
- C. material prices are constant.
- D. material prices are fluctuating.

ANSWER: D

147. Scrap is _____.

- A. residue of material.
- B. wastage of material.
- C. surplus material.
- D. abnormal loss of material.

ANSWER: A

148. Material is issued by store keeper against.

- A. material requisition.
- B. material order.
- C. goods received note.
- D. purchase requisition.

ANSWER: A

149. EOQ stands for _____.

- A. Economic Order Quantity.
- B. Essential Order Quantity.
- C. Economic Output Quantity.
- D. Essential Output Quantity.

ANSWER: A

150. The document which is prepared after receiving and inspecting material _____.

- A. material record note.
- B. goods received note.
- C. bill of material.
- D. inventory record.

ANSWER: B

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