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Biju Patnaik Institute of Information Technology & Management Studies

Subject: **Cost and Management Accounting** Subject Code: **MBPC1005**

Stream: **MBA** Semester: **2nd** Name of the Test: **Quiz**

Name: ____________________

Registration No: ____________________

1. Total production overheads = ₹1,00,000. Total machine hours = 5,000. What is the overhead absorption rate per machine hour?
   (a) ₹25
   (b) ₹20
   (c) ₹30
   (d) ₹15

2. Selling price per unit = ₹50, Variable cost per unit = ₹30, Fixed costs = ₹40,000. What is the break-even point in units?
   (a) 1,000 units
   (b) 1,500 units
   (c) 2,000 units
   (d) 2,500 units

3. A company's marginal cost of making a part is ₹120. A supplier is offering the same part for ₹130. What should the company do?
   (a) Buy the part
   (b) Make the part
   (c) Indifferent
   (d) None of the Above

4. Selling price per unit = ₹100, Variable cost = ₹60, Fixed cost = ₹1,60,000. What is the Profit Volume (P/V) Ratio?
   (a) 40%
   (b) 50%
   (c) 60%
   (d) 30%

5. FIFO method assumes that:
   (a) Oldest materials are issued first
   (b) Latest materials are issued first
   (c) Average of costs is issued
   (d) Materials are issued at selling price

6. In primary distribution of overheads:
   (a) Costs are apportioned among departments
   (b) Overheads are allocated to products
   (c) Costs are absorbed per unit
   (d) Only fixed costs are considered

7. Under-absorption of overheads occurs when:
   (a) Actual overheads > absorbed overheads
   (b) Actual overheads < absorbed overheads
   (c) Both are equal
   (d) Only variable costs are considered

8. Process costing is suitable for:
   (a) Customized furniture
   (b) Road construction
   (c) Oil refinery
   (d) Printing press

9. Standard costing is primarily used to:
   (a) Maintain financial records
   (b) Fix prices of products
   (c) Compare actual performance with predetermined standards
   (d) Record historical transactions

10. The main objective of budgetary control is to:
   (a) Increase employee remuneration
   (b) Eliminate all types of expenditures
   (c) Achieve organizational goals through planning and monitoring
   (d) Prepare cash flow statements