



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 6

Class: XI

Sub: Costing & Taxation

Chapter: Unit I: Introduction

F.M.: 15

Topic: Steps Necessary for Installation of a Costing System 1 Date: 20/06/2020

1. The costing system is simple when
(a) only cost is determined; (b) only price is determined; (c) only quantity is determined; (d) none of these.
2. Costing helps the management in
(a) exercising control; (b) taking decision; (c) eliminating wastage; **(d) all of these.**
3. Lay out of the factory means
(a) arrangement of a factory; (b) decoration of a factory; (c) beautification of factory; (d) none of these.
4. Studying the existing organisation includes
(a) the system of issuing orders; (b) study the lesson; (c) group study; (d) none of these.
5. Semi-variable overheads means
(a) fixed expenses; (b) variable expenses; **(c) partly fixed and partly variable;** (d) none of these.
6. Wastage of materials deals with
(a) recycling; (b) destroying; (c) reusing; **(d) all of these.**
7. FIFO is the
(a) method of purchasing materials; **(b) method of issuing materials;** (c) method of valuing materials; (d) none of these.
8. Example of variable overhead is
(a) cost of materials; (b) rent of the office; (c) electricity bill; (d) none of these.
9. Example of fixed overhead is
(a) cost of materials; **(b) rent of the office;** (c) electricity bill; (d) none of these.
10. Example of semi-variable overhead is
(a) cost of materials; (b) rent of the office; **(c) electricity bill;** (d) none of these.
11. Direct cost means
(a) directly related to production; (b) directly related to distribution; (c) directly related to sales; (d) none of these.
12. Overhead means
(a) income; (b) assets; (c) liability; **(d) expenses**
13. Ancillary service means
(a) other services; (b) part services; **(c) related services;** (d) none of these.
14. Indirect cost is the part of
(a) overhead; (b) expense; (c) prime cost; (d) none of these.
15. Selling overhead means
(a) factory expenses; (b) distribution expenses; **(c) selling expenses;** (d) none of these.

Compiled by
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