

1. The branch of accounting which primarily deals with processing and accounting data for internal use in a concern is :
(A) Financial accounting
(B) Cost accounting
(C) Management accounting
(D) None of the above
2. Material cost variance is due to :
(A) Change in price of material
(B) Change in quantity used
(C) Change in material mix
(D) All of the above
3. In cash flow, income tax paid is treated as :
(A) Operating activity
(B) Investing activity
(C) Financing activity
(D) Not shown anywhere
4. When margin of safety is 20% and P/V ratio is 60%, the profit will be :
(A) 30%
(B) $33\frac{1}{3}\%$
(C) 12%
(D) None of the above
5. Proprietor's net capital employed is known as :
(A) Net worth
(B) Equity shares
(C) Long-term loans
(D) Fixed assets
6. Which of the following is not applied in Management Accounting ?
(A) Comparative Statement
(B) Managerial reporting
(C) Double entry system
(D) Operation research
7. EBIT/Total assets ratio is :
(A) Liquidity ratio
(B) Profitability ratio
(C) Solvency ratio
(D) Turnover ratio
8. If the total cost of producing 20,000 units of a product is ₹ 90,000 and if 25,000 units will be produced, then the total cost will be ₹ 1,05,000 and the selling price is ₹ 8 per unit. The break-even point will be :
(A) 10,000 units
(B) 8,000 units
(C) 6,000 units
(D) 5,000 units

9. P/V ratio 25%, Sales ₹ 1,20,000 and Fixed costs ₹ 17,500, Profit will be :
(A) ₹ 12,500
(B) ₹ 30,000
(C) ₹ 17,500
(D) ₹ 20,000
10. Under marginal costing system, product costs are :
(A) Equal to fixed cost plus variable costs
(B) Equal to only marginal costs
(C) Equal to semi-variable costs
(D) None of the above
11. A, B, C analysis is
(A) a system of profit planning
(B) a technique of financial analysis
(C) a technique of inventory control
(D) a technique of profit determination
12. In differential cost analysis, managerial decisions are based on :
(A) P/V ratio
(B) Comparison of cost differential and income differential
(C) Difference in costs between two alternatives
(D) Both (B) and (C)
13. The difference between the standard hours for the actual output and actual hours for actual output and multiplied by standard rate per hour is :
(A) Labour rate variance
(B) Overhead cost variance
(C) Labour efficiency variance
(D) Overhead volume variance
14. The difference between actual price and standard price multiplied by actual quantity will result into :
(A) Material quantity variance
(B) Material mix variance
(C) Material price variance
(D) Material yield variance
15. The budget which usually takes the form of profit and loss account and balance sheet is known as :
(A) Cash budget
(B) Master budget
(C) Flexible budget
(D) Labour budget
16. A fixed budget is one which :
(A) is a plan for capital expenditure in monetary terms
(B) is designed to remain unchanged irrespective of the volume of output or turnover attained
(C) deals with income and expenditure applicable to a particular function
(D) deals with none of these

17. A good costing system gives equal emphasis on cost ascertainment and cost
(A) Reduction
(B) Control
(C) Maximisation
(D) None of the above
18. The method of costing used both in a cinema and a hospital is costing.
(A) operating
(B) marginal
(C) job
(D) process
19. is a location, person or item of equipment for which cost may be determined and used for the purpose of cost control.
(A) Profit centre
(B) Cost centre
(C) Cost unit
(D) Cost driver
20. Difference between standard normal loss and actual normal loss is :
(A) Material variance
(B) Material loss variance
(C) Material yield variance
(D) Material cost variance
21. Prime cost plus variable overheads gives :
(A) Cost of sales
(B) Marginal costs
(C) Works cost
(D) Cost of production
22. One of the most significant tools in cost planning is :
(A) Direct material
(B) Budget
(C) Marginal costing
(D) Direct labour
23. Cost of goods produced consists of :
(A) Work-in-progress and finished goods inventory
(B) Production cost, work-in-progress and finished goods inventory
(C) Production cost and work-in-progress
(D) Prime cost and wages
24.
$$\frac{\text{Cost of Sales} + \text{Operating Expenses}}{\text{Sales}} \times 100$$
 is :
(A) Sales ratio
(B) Sales operating ratio
(C) Operating ratio
(D) Cost sales ratio

25. Two avoidable reasons for the difference between bin card and physical quantity of material may be and wrong posting in the bin card.
- (A) Pilferage
(B) Normal
(C) Abnormal
(D) Reasonable
26. When prices fluctuate widely, which of the following method will even out the effect of fluctuations ?
- (A) Weighted average
(B) FIFO
(C) LIFO
(D) Simple average
27. In which of the following methods, material issues are priced at pre-determined rate ?
- (A) Replacement price method
(B) Specific price method
(C) Inflated price method
(D) Standard price method
28. Which of the following does *not* normally appear on a material requisition form ?
- (A) Job number
(B) Unit cost
(C) Supplier's name
(D) Quantity requisitioned
29. is defined as the rate of exchange of labour force in an establishment during a particular period.
- (A) Sales turnover
(B) Labour capacity
(C) Material turnover
(D) Labour turnover
30. Overtime wages arising out of abnormal conditions, eg. flood, strike etc. should not be charged to
- (A) Cost of production
(B) Trading Account
(C) Profit & Loss Account
(D) None of the above
31. When standard output is 10 units per hour and actual output is 14 units per hour, the efficiency level will be :
- (A) 60%
(B) 120%
(C) 140%
(D) None of the above
32. Given that Standard Time for a job is 10 hours, actual time taken is 6 hours and the rate of wages is ₹ 3 per hour. The total wages under Halsey scheme will be :
- (A) ₹ 28
(B) ₹ 20
(C) ₹ 24
(D) ₹ 10

33. Maximum possible production capacity of a plant when operating time is fully utilised is its :
(A) Practical Capacity
(B) Theoretical Capacity
(C) Normal Capacity
(D) Capacity based on sale expectancy
34. Research cost undertaken at the request of the consumer should be charged to :
(A) Costing Profit & Loss A/c
(B) The Customer
(C) Selling Overheads
(D) Factory Cost
35. When direct materials are issued to production, the accounting entry is to debit control a/c and credit stores ledgers control a/c.
(A) Work-in-progress
(B) Finished goods
(C) Trading
(D) Profit & Loss A/c
36. Which of the following items is *not* included in cost accounts ?
(A) Debenture interest
(B) Interest received on bank deposits
(C) Dividend paid on share capital
(D) All of the above
37. When costing loss is ₹ 6,500, administrative overhead under absorbed being ₹ 500, the loss as per financial accounts should be :
(A) ₹ 7,000
(B) ₹ 6,500
(C) ₹ 6,000
(D) ₹ 8,000
38. In big contracts the completion of work is certified by :
(A) Contractor
(B) Surveyor
(C) CEO
(D) Manager
39. Batch production is suitable for :
(A) Mass production in batches
(B) Production of homogeneous articles in batches
(C) Production of articles in mass scale
(D) Mass production in jobs
40. The stage of production where separate products are identified is called
(A) Split off point
(B) Border point
(C) Edge point
(D) Normal point

41. Costs incurred upto the point where individual products can be identified are called
 (A) Mixed
 (B) Joint
 (C) Separate
 (D) None of the above
42. The method of costing is suitable in chemical industries is :
 (A) Job Costing
 (B) Contract Costing
 (C) Batch Costing
 (D) Process Costing
43. Individual products, each of a significant sales value, produced simultaneously from the identical raw materials are called :
 (A) Joint Product
 (B) Common Product
 (C) By-Product
 (D) Main Product
44. Credit sales ₹ 3,00,000, Opening balance of accounts receivable ₹ 50,000 and Closing balance of accounts receivable ₹ 70,000 (assuming 360 days in a year). Debtors turnover ratio will be :
 (A) 5
 (B) 6
 (C) 4
 (D) 7
45. Profit on sale of machinery should be from the net profit to get funds from operations.
 (A) Deducted
 (B) Deleted
 (C) Avoided
 (D) None of the above
46. Short-term solvency is indicated by :
 (A) Debtors turnover ratio
 (B) Liquid ratio
 (C) Price earning ratio
 (D) Stock turnover ratio
47. Which of the following is not true ?
 (A) Profit Volume Ratio = $\frac{\text{Profit}}{\text{Margin of Safety}} \times 100$
 (B) Break-even Point = $\frac{\text{Fixed Cost}}{\text{P/V ratio}}$
 (C) Break-even Point = $\frac{\text{Fixed Cost}}{\text{P/V ratio}} \times 100$
 (D) Profit Volume Ratio = $\frac{\text{Fixed Cost}}{\text{B.E.P. (in ₹)}}$

48. By 'Cash Equivalents' we mean :

- (A) Bank Balance
- ☒ (B) Short-term highly Liquid Securities
- (C) Investments
- (D) Investments in debenture

49. Management Accounting aims at :

- (A) Presentation of accounting information
- (B) Assist in long-term planning
- ☒ (C) Assist in day to day activities
- (D) All of the above

50. Assertion (A) :

In management accounting firm decisions on pricing policy can be taken.

Reason (R) :

As marginal cost per unit is constant from period to period within a short span of time.

Codes :

- (A) A is true, but R is false
- (B) A is false, but R is true
- ☒ (C) Both A & R are true and R is the correct explanation of A
- (D) Both A & R are true but R is not the correct explanation of A

51. Net Profit + Non-Cash expenses =

- (A) Gross Profit
- (B) Profit after tax
- ☒ (C) Fund from operation
- (D) Distributable profit

52. Assertion (A) :

Profit volume ratio is considered to be the best indicator of the profitability on the business.

Reason (R) :

If profit volume ratio improved, it will result in better profits.

Codes :

- (A) A is false, but R is true
- (B) A is true, but R is false
- (C) Both A & R are true but R is not the correct explanation of A
- ☒ (D) Both A & R are true and R is the correct explanation of A

53. Statement I :

Margin of safety represents the difference between the sales at break-even point and the total sales.

Statement II :

Margin safety can be expressed as a percentage of total sales or in value or in terms of quantity.

Codes :

- (A) Statement I is correct but statement II is incorrect
 (B) Statement I is incorrect but statement II is correct
 (C) Both statements are correct
 (D) Both statements are incorrect

54. Match the following :

List I	List II
(a) Classification of costs into fixed and variable cost	(1) Contribution
(b) Difference between sales and variable cost	(2) P/V ratio
(c) Both fixed and variable cost are charged to product	(3) Marginal Costing
(d) Relative profitability	(4) Absorption

Codes :

- (a) (b) (c) (d)
 (A) (4) (3) (2) (1)
 (B) (3) (1) (4) (2)
 (C) (3) (4) (1) (2)
 (D) (4) (3) (1) (2)

55. Match the following :

List I	List II
(a) Cash flow statements	(1) Inflow of fund
(b) Inflow of cash	(2) Short-term financial planning
(c) Investment (maturity period 3 months)	(3) Financing activity
(d) Payment of dividend	(4) Cash equivalent

Codes :

- (a) (b) (c) (d)
 (A) (2) (4) (1) (3)
 (B) (2) (1) (4) (3)
 (C) (4) (3) (1) (2)
 (D) (3) (4) (1) (2)

56. Match the following :

List I	List II
(a) Prepaid expenses	(1) Solvency ratio
(b) Sales ratio	(2) Net profit margin × investment ratio
(c) Return on investment	(3) Turnover ratio
(d) 100-Proprietary ratio	(4) Current assets

Codes :

- (a) (b) (c) (d)
 (A) (4) (3) (2) (1)
 (B) (4) (3) (1) (2)
 (C) (2) (1) (4) (3)
 (D) (2) (4) (1) (3)

57. Match the following :

: 11 :

List I

- (a) Increase in fund
(b) Goods purchased on credit
(c) Commission outstanding
(d) Net loss

List II

- (1) Application of funds
(2) Drain in working capital
(3) Source of fund
(4) No flow of funds

Codes :

- | | (a) | (b) | (c) | (d) |
|------------|-----|-----|-----|-----|
| (A) | (4) | (3) | (2) | (1) |
| (B) | (4) | (3) | (1) | (2) |
| (C) | (3) | (4) | (2) | (1) |
| (D) | (3) | (4) | (1) | (2) |

58. Consider the following statements :

- (1) Marginal costing and absorption costing are the same.
- (2) For decision-making, absorption costing is more suitable than marginal costing.
- (3) Cost-volume-profit relationship also denote break-even point.
- (4) Marginal costing is based on the distribution between fixed and variable costs.

Which of the statements given above are correct ?

- (A) 4 and 2
(B) 2 and 3
(C) 3 and 4
(D) 1 and 2

59. Which of the following are advantages of marginal costing ?

- (1) Pricing decision
- (2) True profit
- (3) Difficulty to classify
- (4) Ignores time value
- (5) Break-even analysis
- (6) Contribution is not final
- (7) Control over expenditure

(A) 1, 3, 5 and 7

(B) 1, 2, 5 and 7

(C) 3, 4, 6 and 7

(D) 1, 2, 6 and 7

60. Arrange the following categories of cash inflows and cash outflows in a correct order :

- (1) Cash from investing activities
- (2) Cash from financing activities
- (3) Cash from operating activities

Codes :

(A) 2, 1 and 3

(B) 1, 3 and 2

(C) 3, 2 and 1

(D) 3, 1 and 2

61. The chief objective of cost accounting is to :
- (A) Earn more profit
 - (B) Increase production
 - (C) Provide information for management for planning and control
 - ☒ (D) Fix the price
62. Cost accounting differs from financial accounting in respect of :
- (A) Recording Cost
 - (B) Ascertaining Cost
 - ☒ (C) Control of Cost
 - (D) Reporting of Cost
63. A power house which generates and supplies power is called :
- (A) Profit Centre
 - (B) Production Centre
 - (C) Cost Centre
 - ☒ (D) Service Cost Centre
64. Over-absorption of factory overheads due to inefficiency of management should be disposed by :
- (A) Use of supplementary rate
 - ☒ (B) Transfer to costing Profit and Loss account
 - (C) Carry forward to next year
 - (D) Transfer to production account
65. Costs which can be identified easily and indisputably with a unit of operation or costing unit or cost centre is called :
- (A) Variable Cost
 - ☒ (B) Direct Cost
 - (C) Product Cost
 - (D) Fixed Cost
66. The following information relates to the production department of a factory :
- | | |
|----------------|----------|
| Materials used | ₹ 30,000 |
| Direct labour | ₹ 20,000 |
| Overheads | ₹ 5,000 |
- On an order carried out in the department, direct wages amounted to ₹ 3,000. Find out the overheads chargeable to this order on the basis of direct wages :
- (A) ₹ 700
 - (B) ₹ 650
 - (C) ₹ 800
 - ☒ (D) ₹ 750

67. Salary of a foreman should be classified as a :
- (A) Fixed overhead
 - (B) Variable overhead
 - (C) Semi-fixed or semi-variable overhead
 - (D) None of the above
68. The costing method in which fixed factory overheads are added to the inventory is :
- (A) Direct Costing
 - (B) Marginal Costing
 - (C) Absorption Costing
 - (D) Standard Costing
69. The primary documents used for collection of production overheads are :
- (A) Stores requisitions for indirect materials
 - (B) Wages analysis sheet for indirect labour
 - (C) Cash book for indirect expenses
 - (D) All of the above
70. Which of the following costs is not a factory overhead expense ?
- (A) Depreciation of equipment used in the research department
 - (B) Salary of quality control inspector
 - (C) Overtime premium paid to direct labour
 - (D) Machine maintenance labour cost
71. A method of dealing with overheads involves spreading common costs over cost centres on the basis of benefit received. This is known as :
- (A) Overhead absorption
 - (B) Overhead apportionment
 - (C) Overhead identification
 - (D) Overhead analysis
72. Which of the following is not a means whereby factory overheads can be charged out of production ?
- (A) Direct labour rate
 - (B) Overtime rate
 - (C) Machine-hour rate
 - (D) Blanket rate
73. An organisation is divided into number of departments and overheads are collected, allocated or apportioned to respective departments, is called :
- (A) Service departments
 - (B) Divisionalisation
 - (C) Departmentalisation
 - (D) Classification

74. Ramya Ltd. furnishes the following information :

Production 10,000 units, Sales 10,000 units,
Selling price ₹ 12 per unit, Variable cost
₹ 6 per unit, Fixed costs ₹ 40,000 per annum
(normal capacity of 10,000 units) Profit/Loss
under marginal costing method will be :

- (A) ₹ 10,000
- (B) ₹ 30,000
- (C) ₹ 20,000
- (D) ₹ 25,000

75. A manufacturer produces 2,00,000 units of a product at a cost of ₹ 3.25 per unit. Later on he produces 2,75,000 units at a cost of ₹ 3.20 per unit, when its fixed overheads have increased by 10%. The original fixed overheads will be :

- (A) ₹ 50,000
- (B) ₹ 55,000
- (C) ₹ 30,000
- (D) ₹ 40,000

76. Mr. Mahesh has a sum of ₹ 3,00,000 which invested in a business. He wishes 15% return on his fund. It is revealed from the present cost data analysis that variable cost of operation are 60% of sales and fixed costs are ₹ 1,50,000 p.a. On the basis of this information, you are required to find out the sales volume to earn 15% return.

- (A) ₹ 4.875 Lakhs
- (B) ₹ 4.675 Lakhs
- (C) ₹ 4.775 Lakhs
- (D) ₹ 5.875 Lakhs

77. A radio manufacturer finds the while it costs ₹ 6.25 per unit to make component M-140 and the same is available in the market at ₹ 5.75 each. Continuous supply is also fully assured. The break-down cost per unit as follows :

Materials ₹ 2.75, Labour ₹ 1.75 other variable expenses ₹ 0.50, Depreciation and other fixed cost ₹ 1.25. What would be your decision, if the supplier offered the component at ₹ 4.85 per unit ?

- (A) Make
- (B) Buy
- (C) Sell
- (D) None of the above

78. In a purely competitive market, 10,000 pocket transistors can be manufactured and sold and certain profit is generated. It is estimated that 2,000 pocket transistors need to be manufactured and sold in a monopoly market to earn the same profit. Profit under both the conditions is targeted at ₹ 2,00,000. The variable cost per transistor is ₹ 100 and the total fixed costs are ₹ 37,000. You are required to find out unit selling price per transistor under competitive condition.

(A) ₹ 125.70
 (B) ₹ 123.70
 (C) ₹ 128.70
 (D) ₹ 228.70

79. A firm has given the following data :

Fixed expenses at 50% ₹ 15,000, Fixed expenses when factory is close down ₹ 10,000, Additional expenses in closing down ₹ 1,000, Production at 50% capacity 5,000 units, contribution per unit ₹ 1. Advise whether to run the factory or close it down :

(A) Close
 (B) Run
 (C) Continue
 (D) None of the above

80. From the following data, P/V ratio will be :

Year	Sales ₹	Profit ₹
2015	50,00,000	5,00,000
2016	75,00,000	10,00,000

(A) 50%
 (B) 10%
 (C) 20%
 (D) 40%

81. You are requested to report to top management of Eastern India Engineering Company the point of sales in terms of rupee to break-even. For the purpose, you obtain that :

Fixed overheads remain constant at ₹ 12,000

Variable costs will rise zero to ₹ 12,000

Selling price is ₹ 600 per ton

The tonnage produced and sold is 30 tons.

(A) ₹ 36,000
 (B) ₹ 32,000
 (C) ₹ 30,000
 (D) ₹ 38,000

82. In a period sales amount to ₹ 2,00,000, net profit ₹ 20,000 and Fixed overheads are ₹ 30,000. If sales ₹ 3,00,000 profit will be :

(A) ₹ 48,000
 (B) ₹ 50,000
 (C) ₹ 40,000
 (D) ₹ 45,000

83. Reliance Furniture House places before you the following trading results :

Year	Units	Total Costs ₹	Sales ₹
2015	10,000	80,000	1,00,000
2016	12,000	90,000	1,20,000

Fixed cost will be :

(A) ₹ 15,000
 (B) ₹ 10,000
 (C) ₹ 30,000
 (D) ₹ 60,000

84. A factory engaged in manufacturing plastic buckets is working at 40% capacity and produces 10,000 buckets per annum. The present cost-break-up for one bucket is as under :
- | | |
|-----------|-----------------|
| Materials | ₹ 10 |
| Labour | ₹ 3 |
| Overheads | ₹ 5 (60% fixed) |
- The selling price per bucket ₹ 20. If factory operates 90% of capacity the profit will be :
- (A) ₹ 75,000
(B) ₹ 80,000
(C) ₹ 82,500
(D) ₹ 92,500
85. Rowan premium plan is an improvement over :
- (A) Taylor plan
(B) Gantt bonus plan
(C) Halsey premium plan
(D) None of the above
86. A company has fixed costs of ₹ 90,000 with sales of ₹ 3,00,000 and profit of ₹ 60,000. Margin of safety will be :
- (A) ₹ 1,00,000
(B) ₹ 1,20,000
(C) ₹ 1,50,000
(D) ₹ 1,30,000
87. A company sells its product at ₹ 15 per unit. In a period if it produces and sells 8,000 units, it incurs a loss of ₹ 5 per unit. If the volume is raised to 20,000 units, it earns a profit of ₹ 4 per unit. Break-even point in units will be :
- (A) 13,000 units
(B) 12,000 units
(C) 14,000 units
(D) 10,000 units
88. The cost accountant of M Ltd. has ascertained the selling price of a product is ₹ 20 per unit. Variable cost is ₹ 15 per unit and break-even point is 21,600 units. Management has decided to treat 12,000 units of B.E.P. because production department cannot produce more than this at the moment. The selling price for 12,000 units B.E.P. will be :
- (A) ₹ 20 per unit
(B) ₹ 24 per unit
(C) ₹ 26 per unit
(D) ₹ 28 per unit
- Handwritten notes for Q86:

$$Pro = (Sales \times PV) - FC$$

$$60000 = (300000 \times PV) - 90000$$

$$150000 = 300000 \times PV$$

$$PV = 0.5$$

$$MS = Sales - Break\text{-}even\ Sales$$

$$MS = 300000 - 180000 = 120000$$

89. Yadhav Co. has annual fixed cost of ₹ 1,20,000. In 2015 sales amounted to ₹ 6,00,000 as compared to ₹ 4,50,000 in 2014 and profit in 2015 was ₹ 50,000 higher than in 2014. If there is not need to expand the company's capacity. The profit or loss in 2016 on a forecasted sales of ₹ 9,00,000 will be :
- (A) ₹ 1,80,000
(B) ₹ 1,90,000
(C) ₹ 1,70,000
(D) ₹ 1,85,000
90. A company manufactures and sells three types of product namely A, B and C. Total sales per month is ₹ 80,000 in which the share of these three products are 50%, 30% and 20% respectively. Variable cost of these products are 60%, 50% and 40% respectively.
- The combined P/V Ratio will be :
- (A) 49%
(B) 48%
(C) 47%
(D) 50%
91. A plant produces a product in the quantity of 10,000 units at a cost of ₹ 3 per unit. If 20,000 units are produced, the cost per unit will be ₹ 2.50. Selling price per unit is ₹ 4. The variable cost per unit will be :
- (A) ₹ 2
(B) ₹ 3
(C) ₹ 4
(D) ₹ 1
92. A plant is operating at 60% capacity. The fixed costs are ₹ 30,000, the variable costs are ₹ 1,00,000 and the sales amount to ₹ 1,50,000. The percentage of capacity at which the plant should operate to earn a profit of ₹ 40,000 will be :
- (A) 80%
(B) 84%
(C) 90%
(D) 94%

93. The standard cost card shows the following details relating to material requirements for production one kg of groundnut oil :
- | | |
|-----------------------|----------------|
| Quantity of groundnut | 3 kg. |
| Price of groundnut | ₹ 1.50 per kg. |
- Actual production data are :
- | | |
|-----------------------------|----------------|
| Production during the month | 1,000 kg. |
| Quantity used | 3,500 kg. |
| Price of groundnut | ₹ 2.00 per kg. |
- Material cost variance will be :
- (A) ₹ 2,500 (A)
- (B) ₹ 2,000 (A)
- (C) ₹ 3,000 (A)
- (D) ₹ 4,500 (A)
94. When demand forecasting is difficult, budget which is prepared :
- (A) Sales Budget
- (B) Production Budget
- (C) Financial Budget
- (D) Flexible Budget
95. Standard set for material consumption was 100 kg. @ ₹ 2.25 per kg.
- In a cost period opening stock was 100 kg. @ ₹ 2.25 per kg.
- Purchase made 500 kg. @ ₹ 2.15 kg.
- Consumption 110 kg.
- The material price variance will be :
- (A) ₹ 50 (F)
- (B) ₹ 50 (A)
- (C) ₹ 100 (F)
- (D) ₹ 100 (A)
96. The following information is given :
- Materials purchased 3,000 kg.
- Value of materials purchased ₹ 9,000
- Standard quantity 25 kg. for one kg. finished goods
- Standard price ₹ 2 per kg.
- Closing stock of materials 500 kg.
- Finished goods produced 80 kg.
- Material usage variance will be :
- (A) ₹ 1,000 (F)
- (B) ₹ 1,000 (A)
- (C) ₹ 1,500 (F)
- (D) ₹ 1,500 (A)

97. Given for a factory :

Normal number of workers in the department 50

Normal hours paid for in a week 40

Standard rate of wages per hour ₹ 0.80

Standard output of the department per hour taking into account normal 20 units

In the first week of March, 2016, it was ascertained that 1,000 units were produced despite 20% idle time due to power failure and actual rate of wages was ₹ 0.90 per hour. Labour Cost variance will be :

- (A) ₹ 300 (F)
(B) ₹ 300 (A)
(C) ₹ 200 (A)
(D) ₹ 200 (F)

98. The following information relate to manufacturing process of a company :

Number of employees 200

Weekly hours worked 40

Standard wages rate 50 paise per hour

Standard output 250 units per hour

During the first week of February 2016, four employees were paid at 45 paise per hour and two employees at 55 paise per hour, the rest of the employees were paid at standard rate. Idle time is one hour per employee. Actual output was 10,250 units.

Labour efficiency variance will be :

- (A) ₹ 200 (F)
(B) ₹ 300 (F)
(C) ₹ 250 (F)
(D) ₹ 400 (F)

99. The data given below :

	Standard	Actual
Labour hours	10,000	12,000
Variable overheads	₹ 2,000	₹ 3,000
Units output	5,000	4,000

Variable Overhead Expenditure variance will be :

- (A) ₹ 600 (A)
(B) ₹ 700 (A)
(C) ₹ 600 (F)
(D) ₹ 700 (F)

100. $\frac{\text{Dividend per share}}{\text{Market price per share}} \times 100 = \dots\dots\dots$

- (A) Payout ratio
(B) Earning yield ratio
(C) Dividend yield ratio
(D) Dividend ratio