NAT IIM Management Science Finance Easy Test

Sr	Questions	Answers Choice
1	Difference in cost of alternative choices is called	A. Total costing B. Differential costing C. Full costing D. Variable costing
2	Which one is not a functional classification?	A. Manufacturing cost B. Marketing cost C. Finance cost D. Mixed cost
3	Doubtful debts are shown on:	A. Profit side of statement of profit and loss B. Liabilities side of balance sheet C. Asset side of balance sheet D. Not shown anywhere
4	Endorsement is made:	A. For settlement of debts B. For settlement of income C. For settlement of profit D. None
5	Cost which cannot be conveniently identified with individual cost unit is called	A. Direct material cost B. Indirect material cost C. Indirect labour cost D. Caring cost
6	What is accumulated depreciation?	A. Depreciation expense of the current year B. Sum of all depreciations in different accounting year C. Depreciations of previous accounting year D. None
7	Realisation concept is the concept in which revenue is ------------ at the time when goods are sold or services rendered.	A. Recognized B. Not recognized C. Paid D. Received
8	Hypothetical cost which are specially computed outside the accounting system for the purpose of decision making is called	A. Future cost B. Replacement cost C. Imputed cost D. Sunk cost
9	Depreciation is a loss due to wear and tear of an asset.	A. Correct B. Incorrent C. May be D. None
10	Under perpetual inventory system stock taking is under taken at the	A. Start of the accounting year B. End of the accounting C. Regular bases D. None of above
11	In payroll include the remunerations of	A. Direct labour B. Indirect labour C. Both a & b D. None of the above
12	Statement of a affairs is a sort of -----------	A. Profit and loss statement B. Nominal account C. Statement of changes in equity D. Balance sheet
13	The price at which assets will be sold at the end of its useful life is known as:	A. Scrap value B. Residual value C. Written down value D. All of the above
14	Which one of the following is not a negotiable instrument?	A. Cheque B. Promissory note C. Bill of exchange D. None of the above

15	Variable cost and fixed cost have been treated as product cost in	A. Absorption costing B. Direct costing C. Full costing D. All of above
16	Loss which arises due to ----------- is known as abnormal loss	A. Breakage of goods B. Leakage C. Fire D. Shrinkage
17	Quick assets are	A. Cash in hand B. Cash at bank C. Debtors D. All of the above
18	What is accounting period?	A. It is a time for which business prepares its financial statements B. It is time for which business prepares its profit and loss statement C. It is a time for which business prepares its balance sheet D. None
19	Doubtful debt are:	A. Definite loss to the business B. Definite profit to the business C. Expected loss to the business D. Expected profit to the business
20	Which one is non-manufacturing costs?	A. Direct material cost B. Labour cost C. Research and development cost D. All of above