

NAT IIM Management Science Finance Hard Test

Sr	Questions	Answers Choice
1	If spoiled goods are considered a normal part of production process than debit to	A. Work in process B. General expense C. F.o.H control D. None of above
2	Treble column cash book has three columns of:	A. Cash, bank and discount B. Income, expense and bank C. Cash, bank and profit or loss D. None
3	The objective of financial accounting is to ascertain:	A. True results of profit B. True results of loss C. True results of profit or loss D. None
4	Quick assets are	A. Cash in hand B. Cash at bank C. Debtors D. All of the above
5	Petty cash book is a book which record	A. Assets B. Liabilities C. Large payments D. Small payments
6	Which one is non-manufacturing costs?	A. Direct material cost B. Labour cost C. Research and development cost D. All of above
7	Historical cost which is irrecoverable in a given situation is called	A. Imputed cost B. Standard cost C. Opportunity cost D. Sunk cost
8	Depreciation is a loss due to wear and tear of an asset.	A. Correct B. Inccorrent C. May be D. None
9	Rebate is the ----- in the amount of bill paid	A. Premium B. Increase C. Expense D. Concession
10	Assets which have to no market value are called	A. Fictitious assets B. Liquid assets C. Intangible assets D. Real assets
11	Depreciation expenditure is a	A. Fixed cost B. Variable cost C. Semi-variable cost D. Step fixed cost
12	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
13	Difference in cost of alternative choices is called	A. Total costing B. Differential costing C. Full costing D. Variable costing
14	A cost whose magnitude will be affected by decision being made is called	A. Historical cost B. Relevant cost C. Irrelevant cost D. Sunk cost
15	Excess of assets over liabilities is known as:	A. Capital fund B. Accumulated fund C. Surplus fund D. All options are correct

16	Which ratio tells how many times in a year stock is used up and replaced?	A. Gross profit ratio B. Net profit ratio C. Cost ratio D. None of these
17	Deferred liabilities are debts which are repayable less than -----	A. One month B. Six month C. One year D. None
18	If applied factory overhead is less than actual factory overhead, it is called	A. Applied F.o.H B. Over applied F.o.H C. Under-applied F.o.H D. None of above
19	Accounting is the	A. Art B. Science C. Both D. None
20	Good received note is prepared by	A. Purchase department B. Sales department C. Receiving department D. All of the above
