

## NAT IIM Management Science Finance Hard Test

Sr	Questions	Answers Choice
1	Cost which is calculated before manufacture operation is called	A. Sunk cost B. Mixed cost C. Standard cost D. None of above
2	Costs whose consumption may be identified with specific production units in called	A. Direct labour cost B. Indirect labour cost C. Direct material cost D. Indirect material cost
3	During period of rising material prices, ----- method results in profit inflation	A. LIFO B. FIFO C. Weighted average D. All of the above
4	A person is said to be insolvent when his	A. Assets are sufficient B. Assets are enough to pay his liabilities C. Assets are not enough to pay his liabilities D. None
5	Dishonor of the bill occurs when:	A. The drawer refuse to pay B. The acceptor refuses to meet the bill on due date C. The endorsee accepts to meet the bill D. None
6	Compound entry is an entry in which:	A. More than one account is debited B. More than one account is credited C. Both a and b are correct D. None of the above
7	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
8	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
9	What is amortization?	A. Decrease in the value of fixed assets B. Decrease in the value of intangible assets C. Increase in the value of fixed assets D. Increase in the value of intangible assets
10	Section of the business to which cost can be charged is termed as	A. Cost driver B. Cost center C. Cost unit D. All of above
11	Lead time is the time between the time on item reaches ----- and ----- of	A. Order level, dispatch of material B. Order level, maximum level C. Maximum level, minimum level D. Order level, actual receipt
12	Bin card is maintained by	A. Purchase manager B. Sales manager C. Store keeper D. Finance manager
13	How many types of bank accounts are there?	A. 4 B. 3 C. 5 D. 6

14	The technique and process of ascertaining cost is termed as	<p>A. Costing</p> <p>B. Cost accounting</p> <p>C. Calculation of cost</p> <p>D. Controlling cost</p>
15	If spoiled goods are considered a normal part of production process than debit to	<p>A. Work in process</p> <p>B. General expense</p> <p>C. F.o.H control</p> <p>D. None of above</p>
16	From the following statements which one is not true about over applied F.o.H	<p>A. Less from cost of goods sold at normal</p> <p>B. Less from entire production if required</p> <p>C. Add in gross profit if required</p> <p>D. Less from Net profit.</p>
17	Loss which arises due to ----- is known as abnormal loss	<p>A. Breakage of goods</p> <p>B. Leakage</p> <p>C. Fire</p> <p>D. Shrinkage</p>
18	Doubtful debt are:	<p>A. Definite loss to the business</p> <p>B. Definite profit to the business</p> <p>C. Expected loss to the business</p> <p>D. Expected profit to the business</p>
19	The primary object of non-profit organizations is	<p>A. Not to earn profit</p> <p>B. Work for the welfare of society</p> <p>C. Buy/sell goods</p> <p>D. A and B but not C</p>
20	Spoiled goods cannot be	<p>A. Sold without repairing</p> <p>B. Repair and sold as damaged goods</p> <p>C. Both A and B</p> <p>D. None of above</p>