

OCTOBER – 2019

## 1. A Select the most appropriate option and rewrite the full sentence (Any ten)

(10 Marks)

1. Cost of rectification of defective works is \_\_\_\_\_.  
 (a) Debited to profit and loss Account (b) Ignored from Contract Account  
 (c) Credited to Contract Account (d) Debited to Contract Account
2. Contribution is equal to \_\_\_\_\_.  
 (a) Sale – Variable Cost (b) Fixed cost + Profit  
 (c) Sales \* P/V Ratio (d) All the above
3. At Break Even Point the Contribution is equal to \_\_\_\_\_.  
 (a) Variable Cost (b) Administrative Cost  
 (c) Sales Revenue (d) Fixed Cost
4. Issue of material is credited to \_\_\_\_\_.  
 (a) Stores Ledger Control Account (b) W.I.P. Control Account  
 (c) Overhead Control Account (d) Cost Ledger Control Account
5. The balance of Finished Goods Ledger Control Account represents \_\_\_\_\_.  
 (a) Cost of Goods remaining unsold (b) Cost of Goods sold  
 (c) Cost of W.I.P. (d) None of the Above
6. Plant specially purchased for the contract is debited to \_\_\_\_\_.  
 (a) Contract Account (b) Contractee Account  
 (c) Plant Account (d) None of the Above
7. Normal Loss is \_\_\_\_\_.  
 (a) Controllable (b) Non – Controllable  
 (c) Ascertainable (d) None of the Above
8. Abnormal Loss arises due to \_\_\_\_\_.  
 (a) Normal circumstances (b) Abnormal circumstances  
 (c) Evaporation (d) None of the Above
9. Excess of Actual Cost over Standard cost is \_\_\_\_\_.  
 (a) Favourable Variance (b) Abnormal Gain  
 (c) Unfavourable Variance (d) None of the Above
10. ABC stands for \_\_\_\_\_.  
 a) Activity Based Costing (b) ABC Analysis  
 c) Asset Based Control (d) All of the above
11. Work uncertified is valued at \_\_\_\_\_.  
 a) Market Price (b) Cost  
 c) Cost or Market price whichever is less (d) Cost or Market price whichever is higher
12. Cost Ledger contains \_\_\_\_\_.  
 a) Stores Ledger Control (b) Wages Control  
 c) Factory Overhead Control (d) All of the above

[Ans.: 1 – d; 2 – d; 3 – d; 4 – a; 5 – b; 6 – a; 7 – b; 8 – b; 9 – c; 10 – a; 11 – b; 12 – d]

## 1. B. State whether the following statements are true or false (Any Ten)

(10)

1. In Cost Accounts all personal Accounts are maintained. F
2. Normal Loss Account is debited to Process Account. F
3. Contribution is equal to profit. F
4. Increase in fixed cost does not affect Break Even Point. F
5. Standard Cost is estimated Cost. F
6. Material price Variance arises due to change in quantity. F
7. WIP ledger shows cost of goods unfinished. T
8. Each contract Account is considered as separate unit of Cost. T
9. The purpose of retention money is to safeguard against the risk of loss due to faulty workmanship. T
10. Abnormal Gain arises when Actual Loss is less than expected Normal Loss. T
11. Joint product is additional product manufactured. T
12. P/V Ratio is a test of profitability. T

[Ans.: True : 7, 8, 9, 10, 11, 12]

False : 1, 2, 3, 4, 5, 6 ]



APRIL - 2019



1. A. Select the correct alternative and rewrite the sentences : (Any 10)  
 If actual cost is more than standard cost variance is \_\_\_\_\_.

- a) Favourable
- b) Adverse
- c) Nil
- d) All of the above

2. Subsidiary Ledger is \_\_\_\_\_.

- a) Stores Ledger
- b) Work in progress ledger
- c) Finished goods ledger
- d) All of the above

3. Work done but uncertified is to be valued at \_\_\_\_\_.

- a) Contract price
- b) Market price
- c) Market price
- d) Cost price

4. Notional Profit is \_\_\_\_\_.

- a) Difference between value of work certified and cost of work certified.
- b) Profit of contract.
- c) Differences between cash received and work certified.
- d) Differences between retention money and cash received.

5. Normal loss is debited to \_\_\_\_\_.

- a) process account
- b) Abnormal gain
- c) Abnormal loss
- d) None of the above

6. At breakeven point the contribution is equal to \_\_\_\_\_.

- a) Variable cost
- b) Zero
- c) Fixed cost
- d) None of the above

Handwritten notes:  
 C - 500  
 (-) F 500  
 -----  
 0

7. Amount transferred to Profit and Loss Account out of Notional profit when contract is 50% to 90% complete \_\_\_\_\_.

- a)  $\frac{2}{3} \times \text{Notional Profit} \times \frac{\text{Cash received}}{\text{Work certified}}$
- b)  $\frac{2}{3} \times \text{Notional Profit} \times \frac{\text{Work certified}}{\text{Cash received}}$
- c)  $\frac{2}{3} \times \text{Notional Profit} \times \frac{\text{Cash received}}{\text{Retention money}}$
- d)  $\frac{2}{3} \times \text{Notional Profit} \times \frac{\text{Work certified}}{\text{Retention money}}$

8. When selling price decreases, then break even point \_\_\_\_\_.

- a) Increases
- b) Decreases
- c) No Effect
- d) Can't say

9. Sales are ₹ 1,50,000  
 Fixed cost ₹ 40,000  
 Profit ₹ 30,000  
 Variable cost is \_\_\_\_\_.

Handwritten calculation:  
 S 1,50,000  
 (-) U 80,000  
 -----  
 C 70,000  
 (-) F 40,000  
 -----  
 P 30,000

- a) 80,000
- b) 1,10,000
- c) 25,000
- d) 70,000

10. Margin of safety is \_\_\_\_\_.

- a) sales - contribution
- b) Actual sales - Break Even Sale
- c) Fixed cost - variable cost
- d) Sales - Variable cost

11. Variances is a difference between \_\_\_\_\_.

- a) Standard and actual cost
- b) Fixed and variable cost
- c) Sales and Profit
- d) Variable and Semi-variable cost

12. WIP ledger balance shows \_\_\_\_\_.

- a) Cost of finished work
- b) Cost of unfinished work
- c) Cost of material
- d) None of the above

[Ans. : (1 - b), (2 - d), (3 - d), (4 - a), (5 - b), (6 - c), (7 - a), (8 - a), (9 - a), (10 - b), (11 - a), (12 - b)]

## 1.B. Match the column : (Any 10)

Group A	Group B
1. Non-integrated system	a) Activity Based Costing 9
2. Plant issued to site	b) Benchmarked with company process
3. Escalation Clause	c) Activity that generates cost 10
4. Normal Loss	d) Variable cost 7
5. Joint product	e) First step in Benchmarking 11
6. By product	f) Benchmarking on global scale 12
7. Marginal cost	g) Standard minus actual cost 8
8. Cost Variance	h) Cost and financial accounts maintained separately 1
9. ABC	i) Debited to Contract Account 2
10. Cost Driver	j) Product emerging in process having insignificant value 6
11. Planning	k) Inevitable loss 4
12. Global Benchmarking	l) Avoidable loss
	m) Covers increase in cost 3
	n) Additional product with significant value 5

[Ans. : (1 - h); (2 - i); (3 - m), (4 - k); (5 - n); (6 - j); (7 - d); (8 - g); (9 - a); (10 - c); (11 - e); (12 - f)]

APRIL - 2018

## 1. a) Select the most appropriate option and rewrite the full sentence : (Any 8)

- The difference between actual quantity and standard quantity, multiplied by standard price is the \_\_\_\_\_  
 a) Labour rate variance  
 b) Labour efficiency variance  
 c) Material usage variance  $MUV = (SQ - AQ)SR$   
 d) Material price variance
- Profit remaining as reserve is \_\_\_\_\_  
 a) Transferred to Profit and Loss A/c  
 b) Deducted from W.I. P.  
 c) Not taken into account in cost  
 d) Debited to cost price of contract
- Process output is 25,000 units, Normal loss 3,000 units, Abnormal loss is 2,000 units. The input is \_\_\_\_\_ units.  
 a) 20,000  
 b) 15,000  
 c) 30,000  
 d) None of the above
- Cost drivers for customer order processing are \_\_\_\_\_  
 a) Order quantity  
 b) Order Source  
 c) Order value  
 d) All of the above
- Profit volume ratio of company is 40%, while its margin of safety is 40%, if sales volume of the company is ₹ 25,00,000, profit is ₹ \_\_\_\_\_  
 a) 6,00,000  
 b) 15,00,000  
 c) 10,00,000  
 d) 4,00,000
- Normal output is equal to \_\_\_\_\_  
 a) Input-Normal Loss  
 b) Input-Abnormal Loss  
 c) Input-Abnormal Gain  
 d) None of these
- Work certified is below 25% of the contract price, the transfer to profit and loss will be \_\_\_\_\_  
 a)  $\frac{1}{3}$  of Notional profits  $\times \frac{\text{Cash Received}}{\text{Work Certified}}$   
 b)  $\frac{2}{3}$  of Notional profits  $\times \frac{\text{Cash Received}}{\text{Work Certified}}$   
 c) 100 % Notional Profit  
 d) NIL
- Cost allocation basis in Activity Based Costing should be \_\_\_\_\_  
 a) Cost Pool  
 b) Resources  
 c) Activity Centres  
 d) Cost Drivers
- Process costing is applicable to \_\_\_\_\_  
 a) Repair work  
 b) Paper Industry  
 c) Transport company  
 d) None of these

$$\text{mos} = 40\% \text{ of sales}$$

$$\text{mos} = 10,00,000$$

$$\text{mos} = \frac{\text{Profit}}{P1 \times \text{Resh}}$$

$$10,00,000 \times \frac{\text{Prof}}{40\%}$$

$$4,00,000$$



10. The balance of work in process account is equal to \_\_\_\_\_
- The total manufacturing cost incurred during the period
  - The total cost of the incomplete job
  - The total cost of the jobs completed and sold
  - The total cost of the jobs completed

[Ans. : (1 - c), (2 - b), (3 - c), (4 - a), (5 - d), (6 - a), (7 - d), (8 - d), (9 - b), (10 - b)]

**B. State whether the following statements are True or False (Any 7)**

- Indirect labour is debited to work-in-progress control account. **F**
- P/V ratio is improved by decreasing fixed cost. **F**
- Unit level cost occur once for each unit produced. **T**
- Material returned to stores is credited to contract account. **T**
- Material Transfer Note is a document which records the return of unused materials. **F**
- Sales value of joint product is significant. **T**
- Contract costing is a technique of cost accounting. **F**
- When margin of safety decreases, then variable cost increases. **T**
- Cost ledger contains all impersonal accounts. **F**
- Life cycle costing is particularly important when there are significant non-production cost. **T**

[Ans. : True : 3, 4, 6, 8, 10 False : 1, 2, 5, 7, 9]

MARCH - 2017

**1.A. Select the most appropriate option and rewrite the full sentence. (Any 8)**

- \_\_\_\_\_ is a person for whom contract job is undertaken.
  - Contractee**
  - Contractor
  - Sub contractor
  - Job worker
- Cost driver for personnel are \_\_\_\_\_.
  - Recruitment Activity
  - Industrial Relations climate
  - Training Requirements
  - All of the above**
- A company has a sales of ₹ 4,00,000, P/V ratio is 20% and Fixed cost is ₹ 30,000, the profit will be \_\_\_\_\_.
 

S -	4,00,000
(-) VC	80,000
C. (20%)	80,000
(-) f.c -	30,000
	<b>Profit 50,000</b>

  - ₹ 50,000**
  - ₹ 40,000
  - ₹ 70,000
  - ₹ 80,000
- Cost ledger contains \_\_\_\_\_.
  - Factory overhead control account**
  - Wages control account
  - Stores ledger control account
  - All the above
- When a contract work is completed to the extent of 20% of the contract price, profit to be credited to P & L A/c is \_\_\_\_\_.
  - Nil**
  - Full amount
  - 1/3 of profit
  - 2/3 of profit
- An interlocking book keeping system is a \_\_\_\_\_.
  - A single combined system containing both cost accounting and financial accounting records
  - A system combining cost accounting and management accounting
  - A system with high secured access.
  - A system where separate accounts are kept for cost accounting and financial accounting.**
- Cost of a contract is determined by preparing \_\_\_\_\_.
  - Cost sheet
  - Profit & Loss A/c
  - Balance Sheet
  - Separate Ledger A/c**
- Total cost incurred is ₹ 69,920, scrap value of Normal loss ₹ 1,520 input 1,900 units, Normal loss 190 units, Abnormal loss is 30 units. Cost of Abnormal loss is \_\_\_\_\_.
 

Input	1900	69920	N.L	190	1520
			By NL	30	1200
			[40]		

  - ₹ 1900
  - ₹ 1200**
  - ₹ 1500
  - ₹ 2000
- The Standard hourly rate was ₹ 4. The actual rate was ₹ 3.50, The labour rate variance was ₹ 24,000 favourable. The actual labour hours were \_\_\_\_\_.
 

C.P.V =	$\frac{69920 - 1520}{1900 - 190} = \frac{68400}{1710} = 40$
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  - 48,000**
  - 49,000
  - 46,000
  - 52,000
- Abnormal Gain is equal to \_\_\_\_\_.
  - Actual output - Normal output**
  - Normal output - Actual output
  - Actual output - Input
  - Input - Actual output

[Ans. : (1 - a), (2 - d), (3 - a), (4 - d), (5 - a), (6 - a), (7 - d), (8 - b), (9 - a), (10 - a)]

B. State whether the following statements are True or False : (Any Seven)

1. P/V Ratio is improved by decreasing variable cost. T
2. In Target Costing, wasteful activities are eliminated. T
3. If cash received from contractee is 80% of work certified, then the retention money will be 25%. F
4. Direct wages are debited to Cost ledger control account. F
5. Normal loss in process costing is controllable. F
6. Standard costing is method of costing. F
7. Activities form the basis of ABC System. T
8. Standard costs are expressed on a per unit basis. T
9. When selling price is at cost, then contribution = Fixed cost. T
10. Sales value of Joint product is significant. T

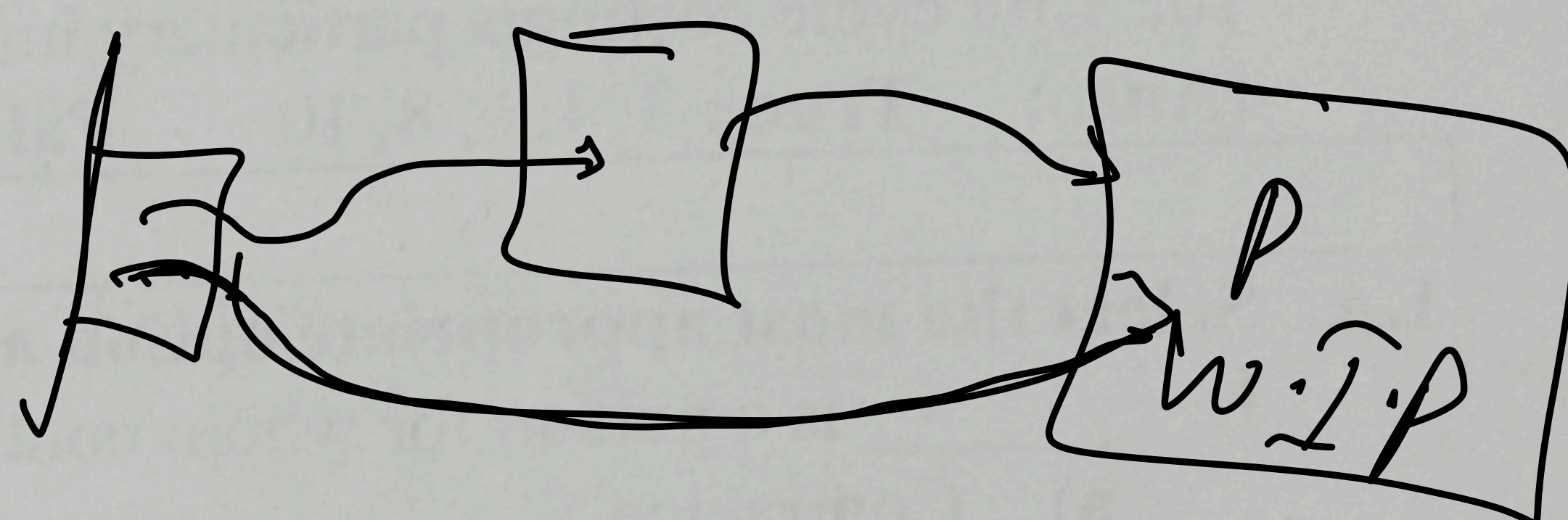
[Ans. : True : 1, 2, 7 8 9 10 False : 3, 4, 5, 6]

OCTOBER - 2016

1. a) Select the most appropriate option and rewrite the full sentence : (Any 8)

1. Material purchases for special job is accounted in \_\_\_\_\_.
  - a) Cost Ledger Control Account
  - b) Stores Ledger Control Account
  - c) Work-in-Progress Ledger Control Account
  - d) Overhead Control Account
2. Abnormal Gain arise if \_\_\_\_\_.
  - a) Abnormal loss is avoided
  - b) Output quantity is more than input
  - c) There is reduction in normal loss
  - d) None of the above
3. Contribution is equal to \_\_\_\_\_.
  - a) Fixed cost plus profit
  - b) Sales less variable cost
  - c) Fixed cost plus (MOS in ₹ × P/V Ratio)
  - d) All of the above
4. Initial cost includes \_\_\_\_\_ if the asset is constructed in the factory.
  - a) Research and Development Cost
  - b) Quality Control Cost
  - c) Design Modification Cost
  - d) All of the above
5. An estimate of what cost should be is known as \_\_\_\_\_.
  - a) Actual Cost
  - b) Ideal Cost
  - c) Standard Cost
  - d) Forecast Cost
6. Retention Money is equal to \_\_\_\_\_.
  - a) Work certified less work uncertified
  - b) Contract price less work certified
  - c) Work certified less cost received by contractor
  - d) All of the above
7. Input 1,680 units, Normal loss 15%, Output 1,500 units, Abnormal gain is \_\_\_\_\_.
  - a) 60 units
  - b) 140 units
  - c) 72 units
  - d) 80 units
8. Sales are ₹ 2,00,000  
Fixed Cost ₹ 60,000  
Profit ₹ 28,000  
The Variable Cost is \_\_\_\_\_.
  - a) ₹ 1,00,000
  - b) ₹ 1,20,000
  - c) ₹ 1,12,000
  - d) None of the above
9. Elements of Target Costing include \_\_\_\_\_.
  - a) Competitor Information
  - b) Cost Structure Analysis
  - c) Customer Requirements
  - d) All of the above
10. Material Usage Standard is decided by \_\_\_\_\_.
  - a) Sales Department
  - b) Finance Department
  - c) Purchase Department
  - d) Production Department

[Ans. : (1 - c), (2 - b), (3 - d), (4 - d), (5 - c), (6 - a), (7 - c), (8 - c), (9 - d), (10 - d)]



b) State whether the following statements are True or False : (Any 7)

1. Sub-Contract is a private arrangement between the Contractor and Contractee. **F**
2. Good Units do not bear the normal loss arising in process costing. **F**
3. Marginal Costing is based on Classification of Costs into Variable and Fixed Cost. **T**
4. A Process Costing system would be more appropriate than Job order costing for an oil refinery. **T**
5. Margin of Safety is the excess of actual sales over budgeted sales. **F**
6. Painting is a Product-level activity. **F**
7. If Work certified is less than 25% of Contract Price, Profit is not taken into account. **T**
8. Machine set up is normally considered a batch level cost. **T**
9. Indirect labour is debited directly to Work-in-Progress Control account. **F**
10. The term 'Cost Driver' is not used under traditional costing system. **T**

[Ans. : True : 3, 4, 7, 8, 10

False : 1, 2, 5, 6, 9]

APRIL - 2016

I. Select the most appropriate option and rewrite the full sentence :

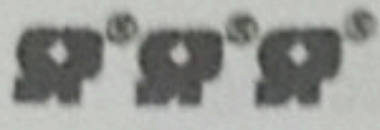
1. Stores Ledger Control Account, accounts for \_\_\_\_\_.
  - a) All Overheads incurred in process
  - b) All Wages incurred in process
  - c) All Purchases of materials for the stores and all issue of materials
  - d) None of these
2. The objective of Standard Costing is to control cost through \_\_\_\_\_.
  - a) Estimated Cost
  - b) Standard Cost
  - c) Variance analysis
  - d) None of the above
3. In Contract Costing, loss of material by fire is debited to \_\_\_\_\_.
  - a) Costing P & L A/c
  - b) Financial P & L A/c
  - c) Contract A/c
  - d) Contractee's A/c
4. At Break Even Point, the Contribution is equal to \_\_\_\_\_.
  - a) Variable Cost
  - b) Administrative Cost
  - c) Sales revenue
  - d) Fixed Cost
5. If the Input is 8,400 units, Normal loss 15% and Output 7,500 units, then Abnormal gain is \_\_\_\_\_ units.
  - a) 700
  - b) 300
  - c) 360
  - d) 400
6. Cost allocation bases in Activity-Based Costing should be \_\_\_\_\_.
  - a) Cost drivers
  - b) Cost pools
  - c) Activity centres
  - d) Resources
7. The Standard Cost Card contains quantities and cost for \_\_\_\_\_.
  - a) Direct material only
  - b) Direct material and Direct labour only
  - c) Direct labour only
  - d) Direct material, Direct labour & Overhead
8. In Contract Costing, Payment of Cash to the Contractor is made on the basis of \_\_\_\_\_.
  - a) Uncertified work
  - b) Work-in-progress
  - c) Certified work
  - d) Retention money
9. Actual output is 25,000 units, Normal loss is 3,000 units, Abnormal loss is 2,000 units, the Input is \_\_\_\_\_.
  - a) 20,000 units
  - b) 15,000 units
  - c) 30,000 units
  - d) 18,000 units
10. WIP Ledger balance shows \_\_\_\_\_.
  - a) Cost of Finished work
  - b) Cost of Unfinished work
  - c) Cost of Materials
  - d) None of the above

[Ans. (1 - c); (2 - c); (3 - a); (4 - d); (5 - c); (6 - a); (7 - d); (8 - c); (9 - c); (10 - b)]

II. State whether the following statements are True or False :

1. Marginal costing is a method of costing. **F**
2. Abnormal loss in process is valued at scrap value. **F**
3. Units produced at a process are not homogeneous. **F**
4. The term 'Cost Driver' is used under traditional costing system. **F**
5. The degree of completion of work is determined by comparing the work certified with cash received. **F**





- ✓ 6. Selling and distribution overheads recovered are debited to Cost of Sales Account. T
- 7. There is difference between notional profit and estimated profit, in relation to Contract. T
- 8. The causal relationship is considered under Activity Based Costing System. T
- 9. Standard Hour is not used while computing Labour Rate Variance. T
- 10. Non-integrated accounts are based on Double Entry System of Book-keeping. T

LRV = (SR-AR) X AH

[Ans. True : 6, 7, 8, 9, 10 ; False : 1, 2, 3, 4, 5]

APRIL - 2015

I. Select the most appropriate option and rewrite the full sentence :

1.

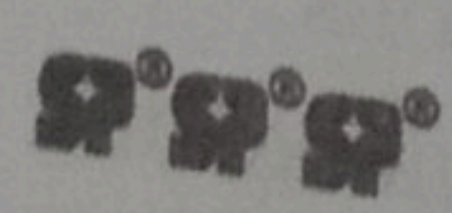
1. If actual cost is more than standard cost, Variance is \_\_\_\_\_.
  - a) Favourable
  - b) Adverse
  - c) Nil
  - d) All of the above
2. Abnormal Loss Units are equal to \_\_\_\_\_.
  - a) Output Units
  - b) Input Units - Normal Loss Units
  - c) Input Units - (Normal Loss Units & Output Units)
  - d) All of the above
3. Stores Ledger contains a Separate Account of \_\_\_\_\_.
  - a) Each item of Stores
  - b) Receipt of Stores
  - c) Issue of Stores
  - d) None of the above
4. Marginal Costing is \_\_\_\_\_.
  - a) Method of Costing
  - b) Similar to Absorption Costing
  - c) A Technique of Costing
  - d) None of the above
5. Abnormal gain arises if \_\_\_\_\_.
  - a) Output quantity is more than input quantity
  - b) There is reduction in normal loss
  - c) Abnormal loss is avoided
  - d) None of the above
6. Cost of rectification of defective work is \_\_\_\_\_.
  - a) Debited to P & L Account
  - b) Ignored from Contract Account
  - c) Credited to Contract Account
  - d) Debited to Contract Account
7. The product which has a lower sale value than the main product is a \_\_\_\_\_.
  - a) Economic Product
  - b) Consumer Product
  - c) By-Product
  - d) Joint Product
8. Standard Cost is decided for \_\_\_\_\_.
  - a) Labour
  - b) Overheads
  - c) Materials
  - d) All the elements
9. Contribution is equal to \_\_\_\_\_.
  - a) Sales - Variable Cost
  - b) Fixed Cost + Profit
  - c) Sales x P/v Ratio
  - d) All of the above
10. Retention money is equal to \_\_\_\_\_.
  - a) Work certified - Work uncertified
  - b) Contract price - Work certified
  - c) Work certified - Payment received by contractor
  - d) All of the above

[Ans. (1 - b); (2 - c); (3 - a); (4 - c); (5 - b); (6 - d); (7 - c); (8 - d); (9 - d); (10 - c)]

II. State whether the following statements are True or False :

1. BEP is the point at which total revenue is equal to total cost.
2. In Contract Costing, each contract is a Cost Unit.
3. Process cost system is applicable to Paper mills.
4. Non-integrated accounting is also called Interlocking accounting system.
5. Actual rate is not used while computing Labour Efficiency Variance.
6. Uncertified work is valued at cost.
7. Activity Cost Pools are cost accumulation associated with a given activity.
8. The main purpose of Standard Costing is Cost Control.
9. Invisible waste has no sale value.
10. Direct labour hour is a Cost pool that is regularly used in the activity-based costing method.

[Ans. All the statements are true]



5. Process Cost is based on the concept of

- (a) Average Cost
- (c) Standard Cost

- (b) Marginal Cost
- (d) Differential Cost

6. Normal Loss is equal to

- (a) Normal Output - Actual Output

- (b) Actual Output - Normal Output
- (d) None of the above

(c) Input x % of Normal Loss

7. Normal Output is equal to

- (a) Input - Abnormal Loss
- (c) Input - Abnormal Gains

- (b) Input - Normal Loss
- (d) None of the above

8. Unit Cost is equal to

- (a) Normal Cost ÷ Normal Output
- (c) Normal Cost ÷ Total Output

- (b) Total Cost ÷ Normal Output
- (d) Total Cost ÷ Total Output

9. Abnormal Loss is equal to

- (a) Input - Actual Output
- (c) Normal Output - Actual Output

- (b) Actual Output - Normal Output
- (d) Actual Output - Input

10. Abnormal Gains are equal to

- (a) Actual Output - Normal Output
- (c) Actual Output - Input

- (b) Normal Output - Actual Output
- (d) Input - Actual Output

11. Process cost is very much applicable in

- (a) Construction Industry
- (c) Airline Company

- (b) Pharmaceutical Industry
- (d) None of these

12. In process costing, each producing department is a

- (a) Cost unit
- (c) Investment centre

- (b) Cost centre
- (d) Sales centre

12. Which of the following is correct?  $\text{Sales} - \text{fixed cost} = \text{contribution}$

12. The break even points in units is equal to

- (a) Fixed cost/PV ratio
- (c) Fixed cost/contribution per unit

(d) Sales - contribution = variable cost

- (b) Fixed cost x sales/total contribution
- (d) Fixed cost/total contribution

13. When fixed cost increases, the break even point

- (a) Increases
- (c) No effect

- (b) Decreases
- (d) Can't say

14. When variable cost decreases, then break even point

- (a) Increases
- (c) No effect

- (b) Decreases
- (d) Can't say

15. When selling price decreases, then break even point

- (a) Increases
- (c) No effect

- (b) Decreases
- (d) Can't say

16. When sales increases then break even point

- (a) Increases

- (b) Decreases
- (d) None of these

(c) Remains constant

17. Which of the following can improve break-even point?

- (a) Increase in variable cost

(b) Increase in fixed cost

(c) Increase in sale price

(d) Increase in sales volume