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**Started on** Saturday, 12 December 2020, 10:09 PM

**State** Finished

**Completed on** Saturday, 12 December 2020, 10:17 PM

**Time taken** 7 mins 18 secs

**Grade** 25.00 out of 25.00 (100%)

Question **1**

Correct

Mark 1.00 out of 1.00

A budget which is established for use over a short period of time is called?

Select one:

- ☐ a. Fixed budget
- ☐ b. Profit budget
- ☐ c. Cost budget
- ☒ d. Current budget ✓

The correct answer is: Current budget

Question **2**

Correct

Mark 1.00 out of 1.00

Costs that are traceable to a product are described as product costs?

Select one:

- ☐ a. Indirect
- ☐ b. Assigned
- ☐ c. none
- ☒ d. Direct ✓

The correct answer is: Direct

Question **3**

Correct

Mark 1.00 out of 1.00

Cash comes within the category of?

Select one:

- ☐ a. None
- ☐ b. fixed asset
- ☒ c. current assets ✓
- ☐ d. wasting assets

The correct answer is: current assets

Question **4**

Correct

Mark 1.00 out of 1.00

Change in product mix decision should be merely based on contribution?

Select one:

- ☐ a. True
- ☒ b. False ✓

The correct answer is: False

Question **5**

Correct

Mark 1.00 out of 1.00

As per Accounting Standard-3, Cash Flow is classified into?

Select one:

- ☐ a. Operating activities and financing activities
- ☒ b. Operating activities, financing activities and investing activities ✓
- ☐ c. Operating activities and investing activities
- ☐ d. Investing activities and financing activities

The correct answer is: Operating activities, financing activities and investing activities

Question **6**

Correct

Mark 1.00 out of 1.00

Financial management mainly focuses on?

Select one:

- ☐ a. Arrangement of funds
- ☒ b. All elements of acquiring and using means of financial resources for financial activities ✓
- ☐ c. Efficient management of every business
- ☐ d. Brand dimension

The correct answer is: All elements of acquiring and using means of financial resources for financial activities

Question **7**

Correct

Mark 1.00 out of 1.00

Cash flow statement is based upon \_\_\_\_\_ while Funds Flow Statement recognizes \_\_\_\_\_?

Select one:

- ☐ a. Accrual basis of accounting, cash basis of accounting
- ☐ b. Both are based on cash basis of accounting
- ☒ c. Cash basis of accounting, accrual basis of accounting ✓
- ☐ d. None of the above

The correct answer is: Cash basis of accounting, accrual basis of accounting

## Question 8

Correct

Mark 1.00 out of 1.00

Double entry system is used in which type of accounting?

Select one:

- ☒ a. Financial ✓
- ☐ b. All
- ☐ c. Cost
- ☐ d. Management

The correct answer is: Financial

## Question 9

Correct

Mark 1.00 out of 1.00

In Journal, the business transaction is recorded?

Select one:

- ☐ a. Next day
- ☒ b. Same day ✓
- ☐ c. Once in a month
- ☐ d. Once in a week

The correct answer is: Same day

## Question 10

Correct

Mark 1.00 out of 1.00

Cash Flow Statement is also known as?

Select one:

- ☒ a. Both a and b ✓
- ☐ b. None of the above.
- ☐ c. Statement of Changes in Financial Position on Cash basis
- ☐ d. Statement accounting for variation in cash

The correct answer is: Both a and b

## Question 11

Correct

Mark 1.00 out of 1.00

A budget is defined as?

Select one:

- ☒ a. a financial and / or quantitative statement prepared and approved prior to a defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective ✓
- ☐ b. a financial and / or quantitative statement approved prior to a defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective
- ☐ c. a financial and / or objective statement prepared and approved prior to defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective
- ☐ d. a financial and / or quantitative statement prepared prior to a defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective

The correct answer is: a financial and / or quantitative statement prepared and approved prior to a defined period of time of the policy to be pursued during that period for the purpose of attaining a given objective

Question **12**

Correct

Mark 1.00 out of 1.00

Final Account includes?

Select one:

- ☐ a. Profit and loss account
- ☐ b. Balance sheet
- ☒ c. All of the above ✓
- ☐ d. Trading account

The correct answer is: All of the above

Question **13**

Correct

Mark 1.00 out of 1.00

Cash Flow Statement is prepared from?

Select one:

- ☐ a. Additional Information
- ☒ b. All of the above ✓
- ☐ c. Profit and loss account
- ☐ d. Balance Sheet

The correct answer is: All of the above

Question **14**

Correct

Mark 1.00 out of 1.00

Cost accounting is based on \_\_\_\_\_ cost?

Select one:

- ☐ a. sunk
- ☐ b. none
- ☒ c. pre-determined ✓
- ☐ d. historic

The correct answer is: pre-determined

Question **15**

Correct

Mark 1.00 out of 1.00

A budget should be?

Select one:

- ☐ a. None of the above
- ☐ b. Both (A) and (B)
- ☐ c. Rigid
- ☒ d. Flexible ✓

The correct answer is: Flexible

Question **16**

Correct

Mark 1.00 out of 1.00

Finance Function comprises?

Select one:

- ☒ a. Procurement & effective use of funds ✓
- ☐ b. Expenditure of funds only
- ☐ c. Safe custody of funds only
- ☐ d. Procurement of finance only

The correct answer is: Procurement &amp; effective use of funds

Question **17**

Correct

Mark 1.00 out of 1.00

EBIT is usually the same thing as?

Select one:

- ☐ a. funds provided by operations
- ☒ b. operating profit ✓
- ☐ c. earnings before taxes
- ☐ d. net income

The correct answer is: operating profit

Question **18**

Correct

Mark 1.00 out of 1.00

Costs which can be easily attributed to a particular cost center/ product is called?

Select one:

- ☐ a. None of the above
- ☒ b. Direct cost ✓
- ☐ c. Indirect cost
- ☐ d. Marginal cost

The correct answer is: Direct cost

Question **19**

Correct

Mark 1.00 out of 1.00

Cash Flow Statement studies causes of change in working capital?

Select one:

- ☐ a. True
- ☒ b. False ✓

The correct answer is: False

Question **20**

Correct

Mark 1.00 out of 1.00

Cost of preparing drawings for the manufacture of a particular product is?

Select one:

- ☒ a. Direct expenses ✓
- ☐ b. Indirect expenses
- ☐ c. Cost of indirect labour
- ☐ d. Cost of direct labour

The correct answer is: Direct expenses

Question **21**

Correct

Mark 1.00 out of 1.00

Financial Management is mainly concerned with?

Select one:

- ☐ a. Efficient Management of every business
- ☒ b. All aspects of acquiring and utilizing financial resources for firms activities ✓
- ☐ c. Arrangement of funds
- ☐ d. Profit maximization

The correct answer is: All aspects of acquiring and utilizing financial resources for firms activities

Question **22**

Correct

Mark 1.00 out of 1.00

"Anticipate no profit and provide for all possible losses" It belongs to which concept/convention?

Select one:

- ☐ a. Disclosure
- ☐ b. Consistency
- ☐ c. Matching
- ☒ d. Conservatism ✓

The correct answer is: Conservatism

Question **23**

Correct

Mark 1.00 out of 1.00

Fixed cost per unit?

Select one:

- ☐ a. be flexible according to the rate of interest
- ☒ b. changes according to volume of production ✓
- ☐ c. not remains constant
- ☐ d. does not change with volume of production

The correct answer is: changes according to volume of production

Question **24**

Correct

Mark 1.00 out of 1.00

Cash flow from sales is calculated by?

Select one:

- ☐ a. None of the above
- ☒ b. Both a and b ✓
- ☐ c. Cash sales + Cash Collections

The correct answer is: Both a and b

Question **25**

Correct

Mark 1.00 out of 1.00

Production budget is based upon?

Select one:

- ☒ a. All of the above ✓
- ☐ b. Factory capacity
- ☐ c. Availability of raw material and labor
- ☐ d. sales budget

The correct answer is: All of the above



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**Started on** Saturday, 12 December 2020, 10:01 PM

**State** Finished

**Completed on** Saturday, 12 December 2020, 10:08 PM

**Time taken** 6 mins 39 secs

**Grade** 25.00 out of 25.00 (100%)

Question **1**

Correct

Mark 1.00 out of 1.00

P&L statement is also known as?

Select one:

- ☒ a. Statement of income ✓
- ☐ b. All of the above
- ☐ c. Statement of earnings
- ☐ d. Statement of operations

The correct answer is: Statement of income

Question **2**

Correct

Mark 1.00 out of 1.00

While measuring break-even analysis, it is considered that during a specific period there will be no change in general price level, i.e., labor, cost of material and other overheads?

Select one:

- ☒ a. True ✓
- ☐ b. False

The correct answer is: True

Question **3**

Correct

Mark 1.00 out of 1.00

Double entry system is used in which type of accounting?

Select one:

- ☒ a. Financial ✓
- ☐ b. All
- ☐ c. Management
- ☐ d. Cost

The correct answer is: Financial



Question **4**

Correct

Mark 1.00 out of 1.00

Which of the following are cash flow from investing activities?

Select one:

- ☐ a. Dividend received
- ☒ b. ALL OF THE ABOVE ✓
- ☐ c. Interest received
- ☐ d. Sale of fixed assets

The correct answer is: ALL OF THE ABOVE

Question **5**

Correct

Mark 1.00 out of 1.00

Purchases budget is prepared using the information from?

Select one:

- ☐ a. None of the above
- ☐ b. Capital expenditure budget
- ☐ c. Both (A) and (B)
- ☒ d. Materials budget ✓

The correct answer is: Materials budget

Question **6**

Correct

Mark 1.00 out of 1.00

Which of the following are current assets?

Select one:

- ☒ a. Short-term loans and advances ✓
- ☐ b. Furniture
- ☐ c. Trade Payables
- ☐ d. Fixed investments

The correct answer is: Short-term loans and advances

Question **7**

Correct

Mark 1.00 out of 1.00

Which of the following statements are true?

Select one:

- ☒ a. A and B ✓
- ☐ b. Marginal costing is not an independent system of costing.
- ☐ c. In marginal costing all elements of cost are divided into fixed and variable components.
- ☐ d. In marginal costing fixed costs are treated as product cost.

The correct answer is: A and B

Question **8**

Correct

Mark 1.00 out of 1.00

Which of the following are cash flow from financing activities?

Select one:

- ☐ a. ONLY A
- ☐ b. Dividend paid
- ☐ c. Interest paid
- ☒ d. BOTH A & B ✓

The correct answer is: BOTH A & B

Question **9**

Correct

Mark 1.00 out of 1.00

Which of these would be considered a risk-free investment?

Select one:

- ☐ a. Gold
- ☐ b. Equity in a house
- ☒ c. Treasury bills ✓
- ☐ d. High-grade corporate bonds

The correct answer is: Treasury bills

Question **10**

Correct

Mark 1.00 out of 1.00

"Anticipate no profit and provide for all possible losses" It belongs to which concept/convention?

Select one:

- ☐ a. Disclosure
- ☐ b. Consistency
- ☐ c. Matching
- ☒ d. Conservatism ✓

The correct answer is: Conservatism

Question **11**

Correct

Mark 1.00 out of 1.00

Which of these are financial assets?

Select one:

- ☒ a. A and C ✓
- ☐ b. Bonds
- ☐ c. Machines
- ☐ d. Stocks

The correct answer is: A and C

Question **12**

Correct

Mark 1.00 out of 1.00

Which budget refers to budgeting from scratch?

Select one:

- ☐ a. Fixed budget
- ☒ b. Zero Base Budget ✓
- ☐ c. Scratch budget
- ☐ d. Flexible budget

The correct answer is: Zero Base Budget

Question **13**

Correct

Mark 1.00 out of 1.00

While calculating Gross Profit, if net profit is given?

Select one:

- ☐ a. It can be converted into Gross profit by adding indirect expenses to it
- ☒ b. It can be converted into gross profit by adding interest to it ✓
- ☐ c. None of the above
- ☐ d. Both a and b

The correct answer is: It can be converted into gross profit by adding interest to it

Question **14**

Correct

Mark 1.00 out of 1.00

Which of the following statements are true?

Select one:

- ☒ a. Both a and b ✓
- ☐ b. None of the above
- ☐ c. IN absorption costing period is important and in marginal costing product is important.
- ☐ d. In absorption costing, cost is divided into three major parts while in marginal costing cost is divided into two main parts.

The correct answer is: Both a and b

Question **15**

Correct

Mark 1.00 out of 1.00

Which of the following are cash flow from operating activities?

Select one:

- ☒ a. Both A and B ✓
- ☐ b. Cash Paid to Supplier and Employees
- ☐ c. Cash Receipts from customers
- ☐ d. ONLY A

The correct answer is: Both A and B

Question **16**

Correct

Mark 1.00 out of 1.00

\_\_\_\_\_ is not suitable where selling price is determined on the basis of cost-plus method?

Select one:

- ☐ a. Both a and b
- ☒ b. Marginal costing ✓
- ☐ c. None of the above
- ☐ d. Absorption costing

The correct answer is: Marginal costing

Question **17**

Correct

Mark 1.00 out of 1.00

Final Account includes?

Select one:

- ☐ a. Balance sheet
- ☐ b. Trading account
- ☐ c. Profit and loss account
- ☒ d. All of the above ✓

The correct answer is: All of the above

Question **18**

Correct

Mark 1.00 out of 1.00

Which of the following statements are true?

Select one:

- ☒ a. BOTH A & B ✓
- ☐ b. Absorption costing is very helpful in taking managerial decisions.
- ☐ c. Absorption costing helps in preparation of fixed budget.
- ☐ d. Absorption costing helps to conform with accrual and matching concept.

The correct answer is: BOTH A & B

Question **19**

Correct

Mark 1.00 out of 1.00

Production budget is based upon?

Select one:

- ☐ a. sales budget
- ☒ b. All of the above ✓
- ☐ c. Availability of raw material and labor
- ☐ d. Factory capacity

The correct answer is: All of the above

Question **20**

Correct

Mark 1.00 out of 1.00

Certain assumptions are essential to prepare financial statements?

Select one:

- ☐ a. False
- ☒ b. True ✓

The correct answer is: True

Question **21**

Correct

Mark 1.00 out of 1.00

Production and Manufacturing budget is prepared after receiving the?

Select one:

- ☐ a. Material and purchase budget
- ☐ b. cash budget
- ☒ c. Sales budget ✓
- ☐ d. None of the above

The correct answer is: Sales budget

Question **22**

Correct

Mark 1.00 out of 1.00

Which of the following are Non-current assets?

Select one:

- ☒ a. All of the above ✓
- ☐ b. Land, Building and plant
- ☐ c. Leasehold property
- ☐ d. Computer software

The correct answer is: All of the above

Question **23**

Correct

Mark 1.00 out of 1.00

Working capital management is managing?

Select one:

- ☐ a. long term assets
- ☐ b. only short term assets
- ☒ c. short term assets and liabilities ✓
- ☐ d. long terms liabilities

The correct answer is: short term assets and liabilities

Question **24**

Correct

Mark 1.00 out of 1.00

Functional budget is subsidiary to?

Select one:

- ☒ a. Master budget ✓
- ☐ b. Fixed budget
- ☐ c. All of the above
- ☐ d. Variable budget

The correct answer is: Master budget

Question **25**

Correct

Mark 1.00 out of 1.00

Which of the following is likely to be classified as a direct material cost of a motor car wheel?

Select one:

- ☐ a. The cost of operating the raw material stores in the factory.
- ☐ b. The metal used to manufacture one of the tools used in the car wheel factory.
- ☐ c. The cost of the quality operation on the finished car wheels.
- ☒ d. The metal used to manufacture it. ✓

The correct answer is: The metal used to manufacture it.



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