

Examrace

Accounting Practice MCQs Competitive Exams Set 8

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(12) The time lag between indenting and receiving material is called:

- (a) Lead time
- (b) Idle time
- (c) Stock out time
- (d) None of these

Answer. (a)

(13) A credit balance remaining in FOH Control account is called:

- (a) Over-applied overhead
- (b) Under-applied overhead
- (c) Actual overhead
- (d) None of these

Answer. (a)

(14) Direct material cost plus direct labour cost is called:

- (a) Prime cost
- (b) Conversion cost
- (c) Product cost
- (d) All of these
- (e) None of these

Answer. (a)

(15) Productivity means:

- (a) The ability to produce
- (b) All units produced
- (c) Good units produced

(d) None of these

Answer. (a)

(16) A segment of the business that generates both revenue and cost is called:

(a) Profit Center

(b) Cost Center

(c) Cost driver

(d) All of these

(e) None of these

Answer. (a)

(17) Verification includes:

(a) Checking vouchers

(b) Examining audit report

(c) None of these

Answer. (c)

(18) Audit of a bank is generally conducted through:

(a) Routine checking

(b) Vouching

(c) Balance sheet audit

(d) None of these

Answer. (a)

(19) Economics resources of a business that are expected to be of benefit in the future are referred to as:

(a) Liabilities

(b) Owner's equity

(c) Withdrawals

(d) Assets

(e) None of these

Answer. (b)

(20) Short term Loan can be best described as:

- (a) If the period is three years
- (b) If the period is less than one year
- (c) If the period is over one year
- (d) None of these

Answer. (b)

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