

*Module II: Rural Industries*

*Lesson 11 : Costing and Accounts - Question Bank*

*Q1 : Budgeting is important because .... (select multiple)*

1. *It helps to do a provisioning of funds*
2. *Budget is directly proportional to the profit*
3. *Budget helps to plan a cost reduction option in advance*
4. *It gives indication of actual loss*
5. *It gives indication of surplus fund available*

*Answer : a, c, e*

*Q2. Estimation is given when the* ***customer actually purchases a product. (true or false?)***

*Answer : false*

*Q3 Estimation cannot be changed* ***(true or false?)***

*Answer : false*

*Q4. Cash flow is prepared by a customer* ***(true or false?)***

*Answer : false*

*Q5.* ***Statement showing timetable of requirement of funds and receipt of funds is called as -------------***

*(fill in the blanks)*

*Answer : cash flow*

*Q6. Which of the following costs you will consider to determine your product cost?*

1. *Material cost*
2. *Electricity cost*
3. *Water cost*
4. *Purchasing cost of Machines required for manufacturing*
5. *Rent you pay for the office property*
6. *Home loan*

*Answer : A,B,C,D,E*

*Q7 Which of the following factors are part of bad project planning? (select multiple)*

1. *Wrong leadership*
2. *Unrealistic timescale*
3. *Assumptions*
4. *No clear aim*

*Answer : ABCD*

*Q8 …………….. assure a guaranteed sale for the seller and assure a guaranteed supply to the customer. (fill in the blank)*

*Answer : Quotation*

*Q9. Which of the following statements are true for quotations?*

1. ***It is time bound***
2. ***It is written surety about the price of product***
3. *It* ***helps customer to select best option***

*Answer : ABC*

*Q10. Quotation document contains which of the following information? (select multiple)*

1. *Purchase Order No*
2. *Profit margins*
3. *Description of the product*
4. *Quantity or no of units*
5. *Cost per unit and total cost*
6. *Electricity cost*
7. *Labour cost*

*Answer : ACDE*

*Q 11. Which of the following document helps to track the expenses (incoming and outgoing expenses)?*

*A. Quotation*

*B. Budget*

*C. Cash flow*

*D. P&L statement*

*E. Estimation*

*Answer : C*

*Q12. Which of the following document shows if the organization has made profit or loss during particular period?*

*A. Quotation*

*B. Budget*

*C. Cash flow*

*D. P&L statement*

*E. Estimation*

*Answer : D*