Question 1: Selling cost of a shoe manufacturing company is the example of:

- Period cost
- Product cost
- Standard cost
- Activity based costing

Question 2: Inventory turnover Ratio = 10 times

- Rs. 350,000
- Rs. 70,000
- Rs. 10,000
- Rs. 35,000

Question 3: Buyer produced 20,000 units and their total factory cost was Rs. 450,000, other cost like property tax on factory building of Rs. 10,000 was included in that cost till year ended. The cost of per unit would be:

- Rs. 22.5
- Rs. 23.5
- Rs. 24.5
- Rs. 26.5

Question 4: Which of the given Inventory valuation method reports higher net income?

- First in First Out
- Weighted Average
- Last in First Out
- Average Cost

Question 5: Capacity variance will be favorable if:

- Applied factory overhead cost > Estimated factory overhead cost
- Applied factory overhead cost < Estimated factory overhead cost
- Estimated factory overhead cost > Actual factory overhead cost
- Estimated factory overhead cost < Actual factory overhead cost

Question 6: FOH applied rate of Rs. 5.60 per machine hour. During the year the FOH to Rs.275,000 and 48,000 machine hours were used. Which one of following statement is correct?

- Overhead was under-applied by Rs.6,200
- Overhead was over-applied by Rs.6,200
- Overhead was under-applied by Rs.7,200
- Overhead was over-applied by Rs.7,200