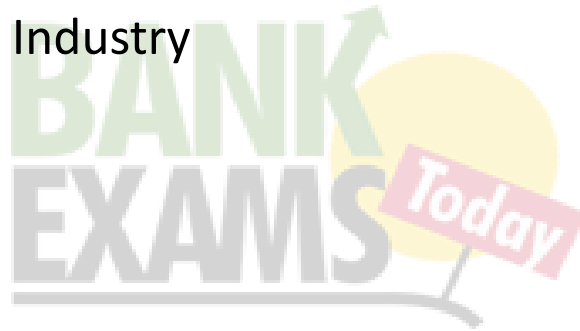


SEBI Grade A: Daily Live Quiz

9 March 2020

Ques 1. Batch Costing is suitable for

- A. Sugar Industry
- B. Telecom Industry
- C. Pharma Industry
- D. Petroleum refining Industry



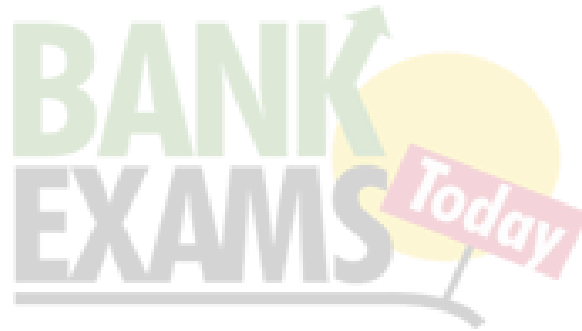
Batch Costing:

- **Batch Costing:** Batch Costing is the aggregate cost related to a cost unit which consists of a group of similar articles which maintains its identity throughout one or more stages of production. ***Example: Pharma industry***



Ques 2. Depreciation is a example of

- a) **Fixed Cost**
- b) Variable Cost
- c) Semi Variable Cost
- d) None of these



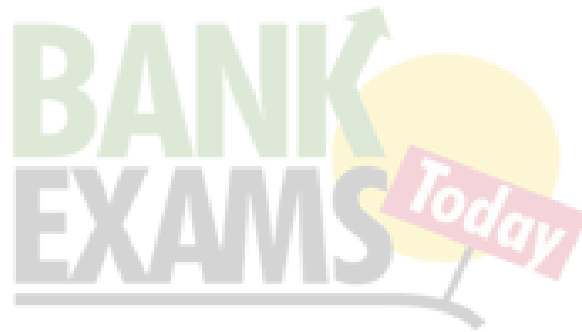
Fixed Cost:

- Fixed cost is the cost which does not vary with the change in the volume of activity in the short run. These costs are not affected by temporary fluctuation in activity of an enterprise. **Example:** Rent, Depreciation...etc.



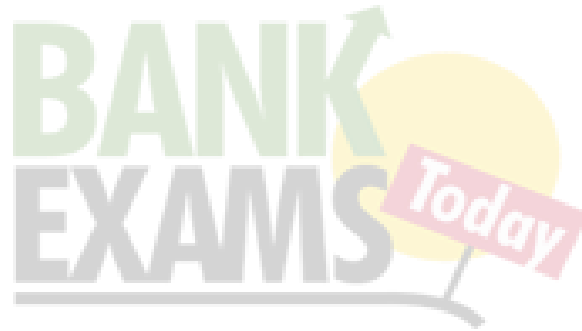
Ques 3. _____ cost are historical costs which are incurred in the past.

- a) Sunk cost
- b) Imputed cost
- c) Notional cost
- d) Marginal cost



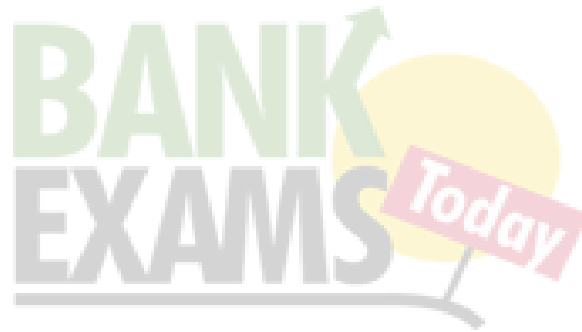
Sunk cost

- A sunk cost is a cost that has already been incurred and cannot be recovered.



Ques 4. Describe the cost unit applicable to the Bicycle industry:

- (a) per part of bicycle
- (b) per bicycle
- (c) per tonne
- (d) per day



Cost Unit is a device for the purpose of breaking up or separating costs into smaller sub divisions attributable to products or services.

A few examples of cost units are given below:

Industry / Product	Cost Unit
Automobile	Number of vehicles
Cable	Metres / kilometres
Cement	Tonne
Chemicals / Fertilizers	Litre / Kilogram / tonne
Gas	Cubic Metre
Power - Electricity	Kilowatt Hour
Transport	Tonne-Kilometre, Passenger-Kilometre
Hospital	Patient Day
Hotel	Bed Night
Education	Student year
Telecom	Number of Calls
BPO Service	Accounts handled
Professional Service	Chargeable Hours

Match the following:

1	Historical Cost	A	Specific Situation
2	Opportunity Cost	B	Student year
3	Relevant Cost	C	Imputed Cost
4	Cost unit for education	D	Value of alternative foregone
5	Notional Cost	E	Sunk cost

