Controlling

Question 1.

Which of the following is not applicable to responsibility accounting

(a) Accounting centre

(b) Cost centre

(c) Profit centre

(d) Investment centre

▼ Answer

Answer: (a) Accounting centre

Question 2.

Management control is done by the _____ (a) Managers at Top Level (b) Managers at Middle Level (c) Managers at Lower Level

(d) All of the above

▼ Answer

Answer: (d) All of the above

Question 3.

What will be the corrective action for defective machinery?

- (a) Sell at the book value
- (b) Sell at a loss
- (c) Sell at a profit
- (d) Repair or Replace the machine

Answer

Answer: (d) Repair or Replace the machine

Question 4.

Which of the following is not a technique of controlling?

- (a) Break-even analysis
- (b) Budget
- (c) Managerial Audit
- (d) Cash Flow Statement

Answer

Answer: (d) Cash Flow Statement

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Question 5. Technological up-gradation is the best corrective action in case of ______ (a) Defective machinery

- (b) Defective material
- (c) Obsolete Machinery
- (d) None of the above

▼ Answer

Answer: (c) Obsolete Machinery

Question 6.

What will be the corrective action for defective material?

- (a) Change in Quantity
- (b) Change in Price
- (c) Change in Quality Specifications for the material used
- (d) None of the above

▼ Answer

Answer: (c) Change in Quality Specifications for the material used

Question 7.

An efficient control system helps to

- (a) Judges accuracy of standards
- (b) Accomplishes organisational objectives
- (c) Boosts employee morale
- (d) All of the above

Answer

Answer: (d) All of the above

Question 8.

Controlling is ______ aspect of management.

(a) Physical

(b) Practical

(c) Mental

(d) Theoretical

Answer

Answer: (b) Practical

Question 9. What is the last step in the controlling process? (a) Setting Performance Standards (b) Taking corrective action

(b) Taking corrective action

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- (c) Comparing actual performance with standards
- (d) Measurement of actual performance

▼ Answer

Answer: (b) Taking corrective action

Question 10.

Why actual performance is compared with standards?

- (a) To take corrective action
- (b) To improve the quality of material
- (c) To change the machinery
- (d) None of the above
- ▼ Answer

Answer: (a) To take corrective action

Question 11.

- Controlling is _____
- (a) Economical
- (b) Costly
- (c) Free
- (d) Very Cheap
- ▼ Answer

Answer: (b) Costly

Question 12. Which of the following is a limitation of controlling?

- (a) Controlling improves employee motivation
- (b) Controlling is goal-oriented
- (c) Controlling is expensive
- (d) Controlling ensures order and discipline

▼ Answer

Answer: (c) Controlling is expensive

Question 13. The main focus of controlling is on _____

- (a) Competition
- (b) External Forces
- (c) Results
- (d) Business Environment
- ▼ Answer



Answer: (c) Results

Question 14.

Management audit is a technique to keep a check on the performance of

- (a) Company
- (b) Management of the company
- (c) Shareholders
- (d) Customers

▼ Answer

Answer: (b) Management of the company

Question 15.

When actual performance is better than the standard performance it is called _____

- (a) Negative Deviation
- (b) Poor Deviation
- (c) Positive Deviation
- (d) None of the above

▼ Answer

Answer: (c) Positive Deviation

Question 16. Controlling is necessary for _____ (a) Medium Level Enterprise (b) Small Scale Enterprise (c) Large Scale Enterprise (d) All of the above

Answer

Answer: (d) All of the above

Question 17. There is one popular saying that Planning is looking ______ while controlling is looking

(a) Back, Ahead

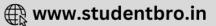
- (b) Ahead, Back
- (c) Future, Present
- (d) None of the above

Answer

Answer: (b) Ahead, Back

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Question 18. Budgetary control requires the preparation of (a) Budgets

- (b) Network diagram
- (c) Responsibility Centres
- (d) Training schedule

▼ Answer

Answer: (a) Budgets

Question 19.

Which of the following is not correct?

- (a) Controlling is goal-oriented
- (b) Controlling is a pervasive function
- (c) Controlling can prevent deviation
- (d) Controlling ensures order and discipline

Answer

Answer: (c) Controlling can prevent deviation

Question 20.

What is the first step in the controlling process?

- (a) Comparing actual performance with standards
- (b) Analysing deviations
- (c) Setting performance standards
- (d) Measurement of actual performance

Answer

Answer: (c) Setting performance standards

Question 21. What are the techniques of measurement of performance?

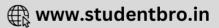
- (a) Performance reports
- (b) Sample Checking
- (c) Personal Observation
- (d) All of the above

▼ Answer

Answer: (d) All of the above

Question 22. Which of the following is a technique of controlling? (a) Managerial Audit (b) Break-even analysis





(c) Budget(d) All of the above

▼ Answer

Answer: (d) All of the above

Question 23.

The controlling function of an organisation is

- (a) Forward as well as backward looking
- (b) Backward looking
- (c) Forward-looking
- (d) None of the above
- ▼ Answer

Answer: (a) Forward as well as backward-looking



