

Raya High Institute

Course Title: Accounting Studies

Year: 4th year

Quiz No 6

True/False

- 1) Direct material costs are the acquisition costs of all materials that eventually become part of the cost object and cannot be traced to the cost object in an economically feasible way.
- 2) Direct material costs are the acquisition costs of all materials that eventually become part of the cost object
- 3) To calculate the breakeven point directly, you should get the total fixed costs and contribution margin per unit.
- 4) The contribution margin is the difference between the selling price and variable cost per unit,
- 5) There is no difference between the historical cost and fair value.
- 6) A business with one owner is called a sole proprietorship.
- 7) At the break-even point, contribution margin equals total fixed costs.
- 8) At the break-even point, contribution margin equals profit equals zero.
- 9) The break-even point is computed by dividing total fixed costs by total contribution margin.
- 10) Margin of safety represents sales revenue above the sales at the break-even point