ASSESSMENT QUESTIONS

Chapter 4: The Factors of Costing

True or False

Identify whether the following statements are true or false and circle the correct answer.

T  F  1. A Bill of Materials lists out all the different activities separately by the number of minutes or hours it takes to complete each task.

T  F  2. Direct costs are tangible items, services, or expenses that can be listed and tallied.

T  F  3. Variable costs differ depending on the season and order size, as well as the complexity of the style or product.

T  F  4. Fixed costs change frequently and vary from month to month or order to order for each season’s production.

T  F  5. Examples of indirect cost factors include office, manufacturing, and factory overheads such as rent, utilities, equipment purchases, and repairs.

Multiple Choice

Select the best response.

1. BOM means:
   a. Bill of Measurements used to keep track of the measurements used to create fabrics, trims, notions and packaging for each style
   b. Bill of Materials used to keep track of the measurements used to create fabrics, trims, notions and packaging for each style
   c. Bill of Minutes used to keep track of the minutes used to create fabrics, trims, notions and packaging for each style
   d. Bill of Materials used to keep track of the assortment of fabrics, trims, notions and packaging for each style

2. Examples of fixed costs would be:
   a. Employee benefits, utilities, administrative costs, and insurance
   b. Office supplies, company car payments, equipment, and machinery
   c. Office and warehouse rents, payroll and payroll taxes
d. All of the above

3. All direct labor activities required to produce a style are listed on the _______.
   a. Bill of Materials
   b. Bill of Labor
   c. Startup Expenses Worksheet
   d. Tech Pack

4. A tech pack is the following
   a. Technical package of expenses and software updates needed for a style to be produced.
   b. Technology packet of detailed set of written and illustrated pages with garment specifications for a style to be produced.
   c. Technology package of expenses and software updates needed for a style to be produced.
   d. Technical package of detailed set of written and illustrated pages with garment specifications for a style to be produced.

5. Examples of activities listed on a BOL are
   a. Direct labor activities like shipping and freight, which are required to produce a style listed called the Bill of Labor.
   b. Direct labor activities like buying fabric and trims, which are required to produce a style listed called the Bill of Labor.
   c. Direct labor activities like sewing and cutting fabric, which are required to produce a style listed called the Bill of Labor.
   d. None of the above
Key for Chapter 4 Assessment Questions

True-False

1. F
2. T
3. T
4. F
5. T

Multiple Choice

1. d
2. d
3. b
4. d
5. c