

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