**Marginal Costing Test – A batch (Answer Key)**

1. B
2. C
3. A
4. C
5. Key Factor
6. Variability , Traceability
7. This angle is formed by the intersection of sales line and total cost line at the breakeven point. This angle shows the rate at which profit is earned once the break-even point is reached. The wider the angle the greater is the rate of earning profits. A large angle of incidence with a high margin of safety indicates extremely favourable position. The shaded area in the graph given below is representing the angle of incidence. The angle above and below the break-even point shows the rate of earning profitability (loss). Wider angle denotes higher rate of earnings and vice-versa.
8. .
	1. No Change
	2. No Change
	3. Increase
9.





1.





