

## CHAPTER- THEORY OF COST

		<b>CTSE</b>	<b>Self Evaluation Grades</b>			
Sr.No.	Topic	Sub-Topic	Date			
1	Concept of Cost	(i) Define				
2	Types of Cost	(i) Monetary Cost				
		-Rent Paid to Land				
		-Interest Paid to Capital				
		-Wages of Labour				
		-Normal Profit of Entrepreneur				
		-Cost of Raw Material				
		-Transportation Cost				
		-Packing and Selling Cost				
		-Depreciation				
		(ii) Explicit Costs				
		(iii) Implicit Costs				
		(iv) Opportunity Cost				
		(v) Real Cost				
(vi) Short Period Costs						
(vii) Long Period Costs						
3	Difference between Explicit Cost and Implicit Cost	(i) Meaning				
		(ii) Measurement				
		(iii) Also known as				
		(iv) Consideration				
		(v) Recording				
		(vi) Estimation				
		(vii) Tracking				
		(viii) Outflow of Cash				
		(ix) Used by				
4	Fixed Cost or Supplementary Cost	(i) Explain				
5	Variable Cost or Prime Cost	(i) Explain				
6	Difference between Fixed Cost and Variable Cost	(i) Meaning				
		(ii) Nature				
		(iii) Behaviour				
		(iv) Incurred				
		(v) Unit Cost				
		(vi) Control				
		(vii) Also Known as				
		(viii) Production Level				
		(ix) Examples				
7	Total Cost	(i) Meaning				
		(ii) Relationship between TC, FC And VC				
8	Average Fixed Cost	(i) Meaning				
9	Average Variable Cost	(i) Meaning				
10	Average Cost	(i) Meaning				
		(ii) Relationship between AC, AFC And AVC				

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Sr.No.	Topic	Sub-Topic <sup>®</sup>	Date			
11	Why is short period average cost curve 'U' Shaped ?	(i) Explain				
		-Initial Decline Average Cost				
		-Subsequent Rise in Average Cost				
12	Marginal Cost	(i) Define				
		(ii) Relationship between AC And MC				
13	Long Period Cost	(i) Define				
		(ii) Long Period Total Cost				
		-Long Period Cost Curve				
		(iii) Long Period Average Cost				
		-Long Period Average Cost Curve				
		(iv) Long Period Marginal Cost				
		-Long Period Marginal Cost Curve				
		<b>Signature of Student</b>				
		<b>Signature of Mentor/Teacher</b>				
<b>Key To Grades</b>			This self Evaluation sheet has four date columns. Student shall fill grades to all topics in one date column in a sitting. By the fourth attempts, all grades should be 'A' for getting best marks in exams.			
Write 'A' if you know the concept fully (when you know 100%)						
Write 'B' if you need revision once (when you know between 75%-100%)						
Write 'C' if you know the concept partially (when you know about 50%)						
Write 'D' if you know the concept very little (when you know about 25%)						
Write 'E' if you don't know the concept at all (when you know 0%)						



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