

## Quiz #1. Introduction to Costing Concepts



## Answer Key

1.	What type	of cost	is monitori	ng and eva	luation	activities?
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- o Site level
- ✓ Above-site level

## 2. Which of the following is a recurrent and fixed cost?

- Purchase of a building
- ✓ Rent
- o 3-month supply of pills

Note: A building purchase is a capital cost and a fixed cost (i.e., it needs to be amortized, it does not vary as output varies), while a 3-month supply of pills is a recurrent cost and a variable cost (i.e., it is used up in 1 year, it varies with output)

## 3. Should the salary of the head of the health facility be included in the costing calculation?

- ✓ Yes
- o No

It should be included as a joint expense, with a percentage of the salary allocated to family planning services depending on the amount of time spent on them (more on this later).