**T.Y.B.Com. Sem V Cost Accounting MCQs Model Question Bank**

**20. Expired cost is recorded in …………………………**

a. Balance Sheet

b. Profit & Loss A/c

c. Cash flow statement

d. Fund flow statement

**21. Unexpired cost is recorded in ………………………………**

a. Balance Sheet b. Profit & Loss A/c

c. Cash flow statement d. fund flow statement

**22. ……………….. is that portion of expired cost resulting from the decline in the service**

**potential of an asset that generated no benefit to the firm.**

a. Cost b. Expense c. Loss d. profit

**23. ………………… is a location, person or item of equipment (or group of these) for which costs may be ascertained and used for the purpose of control.**

a. Cost centre b. Revenue centre

c. Profit centre d. Responsibility centre

**24. ……………………… is the segment of activity of a business which is responsible for both revenue and expenses.**

a. Cost centre b. Revenue centre c. Profit centre d. Responsibility centre

**25. ……………………….. is a small segment of activity or responsibility for which cost are accumulated.**

a. Cost centre b. Revenue centre c. Profit centre d. Responsibility centre

**26. Cost accounting is an important system developed for……………………….**

a) shareholders b) government c) management d) financial institution

**27. The resources that have been used for attaining a particular objective is………………**

a) revenue b) cost c) profit d) investment

**28. Cost accounting is a………………… reporting system.**

a) internal b) external c) government d) financial

**29. The costing which determines cost after it has been actually incurred is…………**

a) historical b) standard c) estimated d) marginal

**30. A cost Centre is a………………….**

a) location for which cost is incurred b) an organization

c) a unit of cost d) profit Centre

**31. A segment of a business entity to which both revenue & costs are assigned is a…………**

a) cost Centre b) revenue Centre c) profit Centre d) production Centre

**32. A cost Centre which is engaged in production activity is called………………..**

a) production cost Centre b) process cost Centre

c) impersonal cost Centre d) production unit

**33. One of the following is not a costing system……………………**

a) marginal costing b) uniform costing

c) absorption costing d) process costing

**34. Cost ascertainment involves…………………….**

a) ascertainment cost b) control of cost

c) estimation of cost d) fixation of price

**35. Product cost means …………………….**

a) variable cost b) fixed cost

c) prime cost d) indirect cost

**36. Notional cost is also known as……………………..**

a) impute cost b) opportunity cost

c) out of pocket cost d) variable cost

**37. Cost which can be identified with the output is called as ………………….**

a) product cost b) direct cost c)fixed cost d) variable cost

**38. Cost of designing is …………………**

a) production cost b) indirect cost

c) direct material d) direct charges .

**39. Interest on capital is………………….**

a) imputed cost b) sunk cost c) direct cost d) indirect cost

**40. Payment to other parties is called as…………………..**

a) out of package b) book cost

c) future cost d) postponsable cost

**41. Cost which is relevant for decision-making is…………………..**

a) relevant cost b) past cost

c) opportunity cost d) imputed cost

**42. Overheads which are incurred in connection with factory are………………….**

a) factory overhead b) office overhead

c) selling overhead d) Prime cost.

**43. Cost which does not require current cash payment is………………….**

a) book cost b) product cost

c) cash cost d) opportunity cost

**44. The cost which remains constant irrespective of output up to capacity limit is…………**

a) fixed cost b) product cost c) variable cost d) sunk cost

**45. Variable cost is also known as………………..**

a) product cost b) period cost c) indirect cost d) semi fixed cost

**46. Bin card shows …………………………**

a) receipts of stores

b) issue of stores

c) closing balance of stores

d) all of the above

**47. EOQ is ……………………….**

a) most economical size order

b) most minimum size order

c) quantity to be order

d) all of the above

**48. EOQ is decided on the basis of ……………………….**

a) carrying cost of inventory b) ordering cost of inventory

c) cost of purchase d) both a&b

**49. Order should be placed with the supplier when the inventory touches……………..**

a) maximum level b) re-order level

c) minimum level d) danger level

**50. Minimum Inventory level shows ………………….**

a) maximum inventory b) minimum inventory

c) only b d) only a

**51. Minimum Inventory level shows ………………………**

a) maximum inventory

b) minimum inventory

c) both a&b

d) only b

**52. Maximum inventory locks up ………………..**

a) more working capital

b) less working capital

c) average working capital

d) fix working capital

**53. Minimum inventory is to ensure …………………………..**

a) minimum working capital

b) safety of production process

c) maximum profitability

d) maximization profit.

**54. ABC analysis is a technique developed for …………………**

a) inventory management

b) inventory control

c) WIP control

d) finished stock control

**55. EOQ is the ………………… size of the order at that point ordering and carrying costs are minimized.**

a) optimum b) minimum c) maximum d) medium

**56. In ABC analysis ‘C’ class items require ………………………..**

a) loose control b) tight control c) moderate control d) cost control

**57. In ABC analysis ‘A’ class items require …………………………..**

a) loose control b) tight control c) moderate control d) cost control

**58. The objective of inventory management is to ………………………….**

a) optimum investment in current assets

b) optimum investment in inventory

c) reduce inventory level

d) increase inventory level

**59. Average annual consumption of material is 20,000 kgs at a price of ` 2 per kg. The holding cost is 16% and Ordering cost is 50. How much should be EOQ?**

a) 2500kgs b) 3000 kgs c) 2000 kgs d) 1000 kgs

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| --- | --- | --- | --- | --- | --- |
|  |  | 21 | A | 41 | A |
|  |  | 22 | C | 42 | A |
|  |  | 23 | A | 43 | A |
|  |  | 24 | C | 44 | A |
|  |  | 25 | A | 45 | A |
|  |  | 26 | C | 46 | D |
|  |  | 27 | B | 47 | A |
|  |  | 28 | A | 48 | D |
|  |  | 29 | A | 49 | B |
|  |  | 30 | A | 50 | B |
|  |  | 31 | C | 51 | A |
|  |  | 32 | A | 52 | C |
|  |  | 33 | a | 53 | B |
|  |  | 34 | A | 54 | B |
|  |  | 35 | A | 55 | A |
|  |  | 36 | A | 56 | A |
|  |  | 37 | A | 57 | B |
|  |  | 38 | D | 58 | A |
|  |  | 39 | A | 59 | A |
|  |  | 40 | A | 20 | B |