

T.Y.B. COM SEMESTER V AY-2020-21
COST ACCOUNTING - I
MULTIPLE CHOICE QUESTIONS
Consolidated question bank

1. According to CIMA, England, “the technique and process of ascertaining cost” is called

- | | |
|---------------------|--------------------|
| a. Costing | b. Cost Accounting |
| c. Cost Accountancy | d. Cost |

2. Which among the following costs are not useful for managerial decision making

- | | |
|------------------|------------------|
| a. Sunk Cost | b. Marginal Cost |
| c. Standard Cost | d. marginal cost |

3. The main function of cost accounting is reporting

- | | |
|---------------|-------------|
| a. Internal | b. External |
| c. Government | d. Bank |

4. The information provided by financial statements is in nature.

- | | |
|-------------|---------------|
| a. Standard | b. Historical |
| c. Marginal | d. Uniform |

5. The principle of matching costs with revenues is known as principle.

- | | |
|----------------|-------------|
| a. Cost | b. Matching |
| c. Consistency | d. Revenue |

6. In cost accounting, stock is valued at

- | | |
|------------------|-------------------|
| a. Market price | b. Cost price |
| c. Selling price | d. Standard price |

7. The installation of a system will create confidence in the minds of public about the fairness of the prices charged.

- | | |
|--------------------------|-------------------------|
| a. Costing | b. Financial accounting |
| c. Management accounting | d. Information |

8. The exact cause of increase or decrease in profit or loss is disclosed by

- a. Management accounting system
- b. Financial accounting system
- c. Cost accounting system
- d. Management information system

9. Data required for the fixation of selling price is provided by

- a. Management accounting system
- b. Financial counting system
- c. Cost accounting system
- d. labour accounting system

10. Cost accounting has developed due to the of financial accounting

- a. Advantages
- b. Limitations
- c. Merits
- d. Expansion

11. The main objective of cost accounting is.....

- a. Recording of cost
- b. Fixation of selling price
- c. Cost control
- d. Maximise profit

12. is the application of costing and cost accounting principles, methods and techniques to the art, science and practice of cost control and the ascertainment of profitability.

- a. Cost accounting
- b. Cost accountancy
- c. Cost Control
- d. Cost Ascertainment

13. Cost accountancy is considered an art because it

- a. Has systematic body of knowledge
- b. requires necessary ability and skills
- c. involves continuous efforts of cost accountant
- d. not involves continuous efforts of cost accountant

14. Which of the following statements are not true regarding cost accounting.....

- a. Information obtained is used by management for decision making
- b. Stock is valued at cost
- c. Deals partly with facts & partly with estimates
- d. Accounts are mandatory according to Companies Act and IT Act

15. “The amount of expenditure (actual or notional) incurred or attributable to a given thing” is.....

- a. Expense
- b. Revenue expenditure
- c. Cost
- d. Value

16. Cost accountancy is considered a science because

- a. It has a systematic body of knowledge
- b. It requires necessary ability and skills
- c. Involves continuous efforts of a cost accountant
- d. not involves continuous efforts of cost accountant

17. is a “measurement in monetary terms of the amount of resources used for some purpose”.

- a. Cost
- b. Revenue expenditure
- c. Expense
- d. Value

18. Cost accounting mainly helps the management in.....

- a. Earning profit
- b. Providing information to management
- c. Fixing prices of the products
- d. Cost of price

19. is that portion of expired cost resulting from a productive usage of an asset.

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

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) postponable 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

60. A factory required 1,000 units per year. The cost of placing an order is Rs. 60 and carrying cost is Rs. 3 p.a. The EOQ is

- a) 20 b) 150 c) 600 d) 450.

61. Replacement cost is associated with

- a) Replacement of labour b) Appointment of Labour
c) Termination of labour d) Medical service cost

62. Taylor suggests ____ piece rates of wages.

- a) Two b) Three c) four d) Five

63. Merrick uses ____ rates of remuneration.

- a) Two b) Three c) Four d) Five

64. Under Halsey Premium Plan ____ % of time saved used for bonus.

- a) 100 b) 50 c) 110 d) 150

65. The difference between hours paid & hours worked is called _____

- a) Idle time b) Standard Time c) Normal time d) Time saved

66. Overtime is paid to workers for extra time worked than ____ working hours specified.

- a) Extra b) Additional c) Normal d) Idle

67. The method which does not differentiate between efficient & inefficient worker is _____

- a) Time rate method
- b) Piece rate method
- c) Halsey plan
- d) Rowan Plan

68. Under Taylors Differential piece rate system efficient workers are paid _____

- a) 100% of Normal rate
- b) 120% of Normal Rate
- c) 150% of Normal rate
- d) 200% of Normal Rate

69. A worker has a time rate of Rs. 100 per hour. He makes 1,000 units in Eight hours. His wages under time rate system are _____

- a) Rs.800
- b) Rs.1,000
- c) Rs. 600
- d) Rs. 1,200

70. A worker has a time rate of Rs. 150 per hour. He makes 80 units in Eight hours. His wages under Piece rate system are _____

- a) Rs. 800
- b) Rs. 1,000
- c) Rs.600
- d) Rs. 1,200

71. Idle time is _____

- a) Paid by Employer
- b) Not Paid by employer
- c) Time saved by the employer
- d) Time wasted by the employer

72. Idle time is caused by _____

- a) Power failure
- b) Death of employee
- c) Resignation of Employee
- d) illness of employee

73. Following is not a cause of idle time _____

- a) Power failure
- b) Machine break down
- c) Waiting for work
- d) Resignation of employee

74. _____ is a cause of normal idle time.

- a) Lack of Material
- b) Machine break down
- c) Power failure
- d) Tea & Lunch break time

75. _____ is a cause of abnormal idle time.

- a) Tea & lunch break time
- b) Job Setting up time
- c) Machine Break down
- d) Travelling time from factory gate to department.

76. Tea & Lunch break is _____

- a) Normal idle time
- b) Abnormal idle time
- c) Standard time
- d) Time saved

77. Strikes & Lockouts is _____

- a) Normal idle time
- b) Abnormal idle time
- c) Standard time
- d) Wasted time

78. Overtime premium at Normal rate is treated as _____

- a) Direct Labour
- b) Indirect Labour
- c) Factory overheads
- d) Administrative overheads

79. Overtime premium paid due to negligence of a worker is charged to the concerned _____

- a) Worker
- b) Department
- c) Overhead
- d) factory overhead

80. Overtime premium due to abnormal causes is charged to _____

- a) Financial P& L a/c
- b) Costing P& L a/c
- c) Balance Sheet
- d) Overhead

81. A worker is allowed 60 hours to complete a job on guaranteed wage of Rs. 10 per hour. He completes the job in 48 hours. How much will he earn under Halsey plan?

- a) Rs. 540
- b) Rs. 450
- c) Rs. 640
- d) Rs. 700

82. Insurance is apportioned on machines on _____ basis.

- a) Insured value of each machine
- b) Area
- c) Cost of machine
- d) Salary of foreman

83. Labour hour rate is followed when most of the work is done by _____

- a) Machine
- b) Labour
- c) groups of machines
- d) capital

84. Which of the following is not true?

- a) Bad debt is a factory overhead
- b) Scrap can be realized
- c) office salary is not a factory overhead
- d) Salesman salary is not a factory overhead.

85. Which of the following statement is true?

- a) Factory overheads are recovered as a % of cost
- b) Factory overheads are recovered as a % of Direct wages
- c) Salary to salesman is a factory overhead
- d) Direct expenses are a factory overheads

86. Charging overheads to individual unit is known as _____

- a) Allocation
- b) Apportionment
- c) Absorption
- d) Collection

87. Salary of works manager is a _____

- a) Office overhead b) Factory overhead
c) Selling overhead d) Distribution overhead

88. The process of charging the traceable overheads to cost centre is called as _____

- a) Overhead allocation b) Overhead Charging
c) Overhead collection d) Overhead selection

89. Rent is _____ overhead.

- a) Fixed b) Variable c) semi variable d) marginal cost

90. Telephone charges are _____ overheads

- a) Fixed b) Variable c) semi variable d) marginal cost

91. Raw material is _____ cost

- a) Fixed b) Variable c) semi variable d) marginal cost

92. _____ is not a machine expenses.

- [illegible]

93. Total machine hours are 2000 hours and total machine expenses are Rs. 1,00,000. The Machine hour rate = _____

- a) 50 b) 60 c) 70 d) 80

94. Electricity charges are allocated on the basis of _____

- a) No. of light points b)No. of Employees
c) HP d) Labour cost

95. When overheads recovered in costing are less than the actual overheads it is called_____

- a) Under absorption b) Over absorption c) Recovery d) Collection

96. Cost incurred in closing down a department is called as

- A. Abandonment cost
B. Shutdown cost
C. Sunk cost
D. Avoidable cost.

97. Net a profit ratio is a.....

- A. Turnover ratio
B. Long term solvency ratio
C. Short term solvency ratio
D. Profitability ratio.

98. Dock charges is a.....

- | | |
|------------------|---------------------|
| A. Direct cost | B. Urgent cost |
| C. Indirect cost | D. Production cost. |

99. Current ratio is a

- | | |
|------------------------------|-----------------------------|
| A. Short term solvency ratio | B. Long-term solvency ratio |
| C. Profability ratio | D. Turnover ratio |

100. In costing closing is stock is valued at.....

- | | |
|-----------------------|---------------------|
| A. Cost of production | B. Factory cost |
| C. Factory cost | D. Realisable value |

101. Stock turnover ratio is a

- | | |
|------------------------------|------------------------------|
| A. Turnover ratio | B. Profability ratio |
| C. Short term solvency ratio | D. Long term solvency ratio. |

102. Stock of WIP is adjusted to.....

- | | |
|----------------------|----------------------|
| A. Office overheads | B. Factory overheads |
| C. Selling overheads | D. Direct materials. |

103. Fixed asset ratio is a.....

- | | |
|------------------------------|-----------------------------|
| A. Short term solvency ratio | B. Long term solvency ratio |
| C. Profability ratio | D. Turnover ratio |

104. Prime cost is ₹ 10,00,000 Works overheads is ₹ 6,63,400, Factory cost is.....

- | | |
|----------------|----------------|
| A. ₹ 16,63,400 | B. ₹ 12,40,000 |
| C. ₹ 14,50,000 | D. ₹ 10,25,000 |

105. Proprietary ratio is a.....

- | | |
|------------------------------|-----------------------------|
| A. Short term solvency ratio | B. Long term solvency ratio |
| C. Profability ratio | D. Turnover ratio |

106. National cost is known as.....

- | | |
|------------------|-----------------------|
| A. Imputed cost | B. Opportunity cost |
| C. Variable cost | D. Out of pocket cost |

107. Fixed assets turnover ratio is a.....

- | | |
|-----------------------------|----------------------------|
| A.Short term solvency ratio | B.Long term solvency ratio |
| C.Profability ratio | D.Turnover ratio |

108. Cost of production is ₹20,64,070 opening stock of finished good is ₹45,280 and closing stock of finished good is ₹50,240 cost of good sold is.....

- | | |
|--------------|--------------|
| A.₹20,59,110 | B.₹25,00,000 |
| C.₹23,00,000 | D.₹22,00,000 |

109. Prime cost is equal.....

- | | |
|----------------------------------|-----------------------|
| A. Direct cost | B. Factory cost |
| C. Direct cost +Factory overhead | D. Cost of production |

110. Total cost is₹36,12000 profit is 10% on selling price sale is.....

- | | |
|--------------|--------------|
| A.₹45,15,000 | B.₹45,50,000 |
| C.₹50,00,000 | D.₹40,25,000 |

111. Unavoidable cost is called as.....

- | | |
|-------------------|-----------------|
| A.Urgent cost | B.Implicit cost |
| C.Inexacable cost | D.Explicit cost |

112. Counting house salary is part of.....

- | | |
|--------------------------|---------------------------|
| A.Factory overhead | B.Selling overhead |
| C. Distribution overhead | D.Administration overhead |

113. Office and administrative expenses can be charged on the basics of.....

- | | |
|-----------------|--------------------|
| A.material cost | B.Labour cost |
| C.Prime cost | D. Direct expenses |

114. Factory overhead can be charged on the basis of.....

- | | |
|-----------------|----------------|
| A.Material cost | B.Labour cost |
| C.Prime cost | D.Factory cost |

115. Selling and distribution expenses can be charged on the basis of.....

- | | |
|-----------------|----------------|
| A.Material cost | B.Labour cost |
| C.Prime cost | D.Factory cost |

116. The ratios which reflect managerial efficiency in handling the asset is.....

- A.Turnover ratio
- B.Profability ratio
- C.Short term solvency ratio
- D.Long term solvency ratio

117. Total cost ₹ 23,07,930 profit is 10% on cost the sale is.....

- A. ₹ 25,000
- B. ₹ 25,38,723
- C. ₹ 23,80,000
- D. ₹ 20,25,000

118. Cost which must be incurred to continue the operation is called.....

- A.Urgent cost
- B. Implicit cost
- C.Opportunity cost
- D.Traceable cost

119. Opening stock of material is ₹ 5000 purchases ₹ 30,000 closing stock of material 2000 cost of material used is.....

- A. ₹ 33,000
- B. ₹ 30,000
- C. ₹ 30000
- D. ₹ 40000

120. Interest capital on.....

- A. Imputed cost
- B.Overheads
- C. Sunk cost
- D. Avoidable cost

121. Interest on capital reduces profit.

- a) financial loss
- c) profit and loss
- b) financial profit
- d) loss

122. Donation paid is debited to P & L A/c

- a) financial
- c) balance sheet
- b) cost
- d) profit

123. Interest on investment increases.

- a) financial profit
- c) assets
- b) costing profit
- d) liability

124. Under valuation of closing stock in cost A/c.

- a) Decreases costing profit
- c) Decreases financial A/c profit
- b) Increases cost profit
- d) Increases financial A/c profit

125. Re-Conciliation is usually done between :-.....

- a) gross profit and net profit
- b) previous year's profit and current year's profit
- c) costing profit and financial A/c profit
- d) current year profit with next year provisions

126. Over absorption of overheads in cost accounts result in

- a) Decreases in costing profit
- c) Decreases in financial A/c profit
- b) Increases in costing profit
- d) no effect

127. In reconciliation statement closing stock over valued in financial accounts.

- a) Added to financial profit
- c) Added to costing profit
- b) Deducted from financial loss
- d) Deducted from costing profit

128. Costing profit is shown on

- a) credit side
- c) asset
- b) debit side
- d) liability

129. National cost costing profit

- a) Decreases
- c) Increases Decrease
- b) Increase
- d) Decreases Increase

130. Fines and Penalties financial profit.

- a) Reducing
- c) both
- b) Increasing
- d) loss

131. In Reconciliation Statement, Closing Stock Overvalued in Financial Account_____

- (a) Added to financial profit
- (b) Deducted from costing profit
- (c) Deducted from financial loss
- (d) Added to costing profit

132. In Reconciliation Statement, Opening Stock Overvalued in Financial Account_____

- (a) added to costing profit
- (b) deducted from financial profit
- (c) added to financial loss
- (d) deducted from costing profit

133. In Reconciliation Statement, Opening Stock Undervalued in Financial Account

- (a) added to financial profit
- (b) deducted from costing profit.
- (c) deducted from financial loss
- (d) added to costing profit

134. In Reconciliation Statement, Depreciation Overcharged in Financial Accounts_____

- (a) added to costing profit
- (b) deducted from financial profit
- (c) added to financial loss
- (d) deducted from costing profit

135. In Reconciliation Statement, Depreciation Undercharged in Financial Accounts _____

- (a) added to financial profit
- (b) deducted from costing profit
- (c) deducted from financial loss
- (d) added to costing profit

136. In Reconciliation Statement, Overheads Under-Recovered in Cost Accounts are____

- (a) added to costing profit
- (b) deducted from financial profit
- (c) added to financial loss
- (d) deducted from costing profit

137. In Reconciliation Statement, Overheads Over-Recovered in Cost Accounts are_____

- (a) added to financial profit
- (b) deducted from costing profit
- (C) deducted from financial loss
- (d) added to costing profit

138. Profit as per Financial Accounts 57,240 Over recovery of works overheads 240

Under recovery of office expenses 240 Reconciliation statement will show.....

- (a) Profit as per Cost Accounts - 57.240
- (b) Profit as per Cost Accounts - 57 7201
- (c) Profit as per Cost Accounts - 56,760
- (d) Loss as per Cost Accounts - 57.240

139. Profit as per Financial Books	3,28,750
Factory overheads in cost accounts	2,00,000
Factory expenses in financial accounts	1,93,750
Office overheads under-absorbed in cost accounts	2,500

Reconciliation statement will show

- (a) Profit as per Cost Accounts - 3,37,500
- (b) Profit as per Cost Accounts - 3,32,500
- (c) Profit as per Cost Accounts - 3,25,000
- (d) Profit as per Cost Accounts - 5,20,000

140. system is best suited for undertaking job works.

- a. Process costing
- b. Job costing
- c. Contract costing
- d. Batch costing

141. system of costing is suitable for toy making.

- a. Batch costing
- b. Job costing
- c. Operating costing
- d. Process costing

142. The sum of direct wages, direct expenses and overhead costs of converting raw materials into finished products is called.....

- a. Prime cost
- b. Works cost
- c. Direct cost
- d. Conversion cost

143. An example of personal cost centre.....

- a. Machinery
- b. Store yard
- c. Maintenance department
- d. Foreman

144. Cost centres are created for

- a. Segregating costs into fixed and variable
- b. Control and fixing responsibility
- c. Making decisions
- d. Ascertaining profit

145. Conversion cost excludes.....

- | | |
|--------------------|-----------------------|
| a. Direct material | b. Direct labour cost |
| c. Direct expenses | d. office expencess |

146. Variable costs increase in total due to

- | | |
|-----------------------|-------------------------------------|
| a. Increase in sales | b. Increase in volume of production |
| c. Increase in profit | d. increase in loss |

147. Common cost of facilities or services employed in the output of two or more simultaneously produced or otherwise closely related operations, commodities or services.....

- | | |
|-----------------|-----------------|
| a. Uniform cost | b. Common cost |
| c. Joint cost | d. Product cost |

148. Costs which are collectively incurred for a number of cost centres and are required to be suitably apportioned for determining for determining cost of individual cost centres is.....

- | | |
|-----------------|-----------------|
| a. Uniform cost | b. Common cost |
| c. Joint cost | d. Product cost |

149. Mention the item of expense which is excluded from cost accounts.....

- | | |
|------------------|--------------------|
| a. Raw materials | b. Office supplies |
| c. Salaries | d. Income Tax |

150. Cost incurred by undertakings which do not manufacture any product but services is.....

- | | |
|-------------------|-------------------|
| a. Operation cost | b. Operating cost |
| c. Joint cost | d. Sunk cost |

151. Variable cost is also known as.

- | | | | |
|-------------------|-----------------|------------------|--------------------|
| a) Products cost. | b) period cost. | c) Indirect cost | d) Semi-fixed cost |
|-------------------|-----------------|------------------|--------------------|

152. Variable cost per unit remains

- | | | | |
|-------------|-------------|----------|----------------------|
| a) Constant | b) Flexible | c) a & b | d) None of the above |
|-------------|-------------|----------|----------------------|

153. The most important element of cost is

- a) Material b) Labour c) Overheads d) Chargeable Exp.

154. EOQ is

- a) Economical Size b) Economical order of Production
c) Economical Order of Production d) None of the above.

155. ABC Analysis is a technique developed for

- a) Inventory Management b) Inventory control
c) WIP Control d) Finished stock Control

156. A Factory requires 1,000 units per year. The cost of placing an order is ₹ 60 and carrying cost is ₹ 3 p.a. The EOQ is

- a) 200 b) 150 c) 600 d) 450

157. Bin card is

- a) a inspection note b) a continue of stock stored
c) a statement of delivery of material d) a statement of issue of material.

158. Issue of material during a period of time is priced at the latest purchase cost under

.....

- a) FIFO b) Simple Average
c) LIFO d) Weighted Average

159. FIFO Method is

- a) Logical b) Recognized by AS2
c) Illogical d) both a and b

160. The card which records idle time is

- a) Idle time card b) Job cards
c) Job sheet d) I card

161. Labour turnover is

- a) Turnover of goods b) Turnover of Labour
c) Stock Turnover d) Debtor's turnover

162. Under Halsey Premium plan % of time saved is shared by employer

- a) 110 b) 115
c) 50 d) 100

163. The standard time required per unit of product is 20 minutes. In a day of 8 working hours, a worker given output of 30 units. If he gets a time rate of ₹ 20 per hour, his total earning under Halsey plan was

- a) 200
- b) 192
- c) 180
- d) 160

164. Under Taylor's differential piece Rate plan efficient workers are paid :

- a) 100% of normal rate
- b) 12% of normal rate
- c) 150% of normal rate
- d) None of the above

165. A worker is allowed 60 hours to complete a job on a guarantee wages of ₹ 10 per hour. He completes the job in 48 hours. How much will he get under Halsey plan?

- a) ₹ 540
- b) ₹ 450
- c) ₹ 640
- d) ₹ 700

166. Idle time is

- a) paid by the employer
- b) Time wasted by workers
- c) Not paid by employer
- d) All of the above

167. Strikes and Lockout is

- a) Normal Idle time
- b) Abnormal Idle time
- c) Overtime
- d) None of the above

168. Depreciation on machine is apportioned on the basis of

- a) Machine cost
- b) Machine hours
- c) Labour hours
- d) Labour cost

169. Power is allocated on the basis of

- a) HP of machine
- b) Cost of machines
- c) machine hours of machine
- d) Labour hours

170. Electricity charges are allocated on the basis of

- a) number of light points
- b) cost of machines
- c) Labour hours
- d) Factory cost

171. Insurance is a

- a) Fixed overheads
- b) Variable overheads
- c) Semi- variable overheads
- d) None of the above

172. The process by which cost items are charged direct to a cost unit is called.....

- a) absorption
- b) apportionment
- c) allocation
- d) allotment

173. Factory overheads are recovered as a

- a) % of direct wages
- b) % of cost production
- c) % of sales
- d) None of the above

174. Office overheads are recovered as a % of

- a) direct Materials
- b) Direct wages.
- c) Factory cost
- d) None of the above

175. Machine expenses are

- a) Depreciation of building
- b) Repair & Maintenance
- c) Power
- d) Both a and b

176. Dock charges is a

- a) Direct cost
- b) Indirect cost
- c) Urgent cost
- d) Production cost

177. Prime cost id equal :

- a) Direct cost
- b) Direct cost + Factory overheads
- c) Factory cost
- d) Cost of Production

178. Cost of rectification is :

- a) Factory overheads
- b) Office overheads
- c) Selling overheads
- d) Direct cost

179. Stock of WIP is adjusted to :

- a) Office overheads
- b) Factory overheads
- c) Selling overheads
- d) Direct Materials

180. Total cost is ₹ 36,12,000 profit is 10% on selling price. Sales is

- a) 45,15,000
- b) 45,50,000
- c) 50,00,000
- d) 40,25,000

181. The purpose of inventory control is

- a) To control flow of raw material
- b) To control invention
- c) To maintain optimum level of inventory
- d) to control cost

182. When the actual overhead is more than the absorbed overhead it is called

- a) Over absorption
- b) Under absorption
- c) Capacity cost
- d) list of cost

183. Interest on investment increase

- a) Costing Profit
- b) Financial Profit
- c) Financial loss
- d) Assets

184. Factory overheads are recovered as

- a) % of direct wages
- b) % of cost of production
- c) % of sales
- d) % of sales.

185. Variable cost changes

- a) With Change in fixed cost
- b) with changes in selling price
- c) Proportionately with the change of output
- d) non Change in fixed cost

186. Indirect costs are known as

- a) Variable cost
- b) Fixed cost
- c) Overheads
- d) semi variable

187. Labour Turnover is measured by

- a) Replacement method
- b) Separation Method
- c) Flux method
- d) All of the above

188. Deduction allowed as per payment of wages act include

- a) House Rent
- b) Income tax
- c) P.F. deduction
- d) All of the above

189. Under perpetual Inventory System, stock is ascertained

- a) Periodically
- b) Continuously
- c) At end of the year
- d) timely

190. Payment to other parties is called as

- a) Out of pocket cost
- b) Book cost
- c) Future cost
- d) Postponable cost

191. is not a function of cost accounting.

- a) cost ascertainment
- b) External reporting
- c) Decision making
- d) Planning and controlling

192. Imputed cost is

- a) Differential cost
- b) Fixed cost
- c) Variable cost
- d) Postponable cost

193. Direct Material is

- a) Directly identifiable with the product
- b) Directly identifiable with the stores department
- c) Directly associated with purchase department
- d) All the above

194. Order should be placed with supplier when the inventory touches

- a) Re-order level
- b) Danger level
- c) Minimum level
- d) Maximum level

195. Bonus Under Halsey plan is paid at

- a) 50% of time saved
- b) 75% of time saved
- c) $33\frac{1}{3}\%$ of time saved
- d) 83% of time saved

196. The method which doesn't differentiate between efficient and inefficient workers

.....

- a) Piece rate method
- b) Time rate method
- c) Halsey plan
- d) none of the above

197. Cost of fancy packing is included in

- a) production overhead
- b) Selling overhead
- c) Administrative overhead
- d) All of the above

198. Overheads can + overhead =

- a) Elements
- b) Functions
- c) behavior
- d) All of the above

199. Prime cost + overhead =

- a) Total cost
- b) cost of production
- c) work cost
- d) All the above

200. National rent is recorded in

- a) Cost account
- b) Balance sheet
- c) Financial account
- d) P & L Account

201. Time Booking is done by department.

- a. Time keeping b. Production c. Personnel d. Sales

202. Which method of costing is suitable in case of mass production industries manufacturing standardized products, wherein raw materials pass through a number of processes in a particular sequence.....

- a. Contract costing b. Service costing
c. Process costing d. Batch costing

203. Which technique of costing distinguishes costs into fixed and variable?

- a. Standard b. Uniform c. Absorption d. Marginal

204. The method adopted by builders and civil engineering contractors for jobs involving huge capital expenditure and long time for completion is called Costing.

- a. Process b. Contract c. Operating d. Composite

205. Which method of reapportionment of overheads apportions costs of service departments only to production departments?

- a. Direct Redistribution b. Step Ladder
c. Simultaneous Equation d. Repeated Distribution

206. Which is a Reciprocal Services method of reapportionment of overheads in case service departments are mutually dependent?

- a. Direct Redistribution b. Step Ladder
c. Simultaneous Equation d. direct steps

207. Total cost plus profit is

- a. Sales b. Cost of sales c. Cost of production d. Works cost

208. Inventory turnover ratio show the relationship between the cost of goods sold and

- a. Sales b. Profit c. Average inventory d. Prime cost

209. Use of same costing principles and practices by several undertakings for cost ascertainment and control is called Costing.

- a. Uniform b. Composite c. Single d. Standard

210. Which industry is suitable for using operating costing method?

- a. Textile b. Sugar c. Toy d. Transport

211. is the purchase of materials at such a time that delivery immediately precedes demand or use

- a. Reorder level b. JIT c. FIFO d. EOQ

212. Materials damaged in manufacturing operations in such a way that they cannot be rectified and bought back to normal specifications is called

- a. Scrap b. Waste c. Defectives d. Spoilage

213. Portion of production which can be rectified at some extra cost of re-operation is called.....

- a. Scrap b. Waste c. Defectives d. Spoilage

214. Which of the following methods is used to control spare parts.....

- a. FNSD analysis b. VED analysis c. ABC analysis d. JIT

215. Proportional Parts Value Analysis method is another name for

- a. ABC analysis b. VED analysis c. FNSD analysis d. JIT

216. State which among the following is true about Stores Ledger.....

- a. Records quantity only
b. Maintained by storekeeper
c. Posting made before transaction takes place
d. Transactions are summarized and posted periodically

217. Calculate EOQ from the details: Annual usage – Rs. 120000, Cost of placing one order – Rs. 60, Annual carrying cost – 10% of inventory value

- a. 6000 b. 10000 c. 12000 d. 17000

218. Level at which normal issue of materials are stopped and materials are issued only for important jobs is known

- a. Minimum level b. Re-order level c. Maximum level d. Danger level

219. State the formulae for calculation for minimum level.

- a. Re-order level + Re-order quantity
b. Re-order level – (Normal consumption x Normal re-order period)
c. Normal consumption x Maximum re-order period
d. Re-order level – (Normal consumption + Normal Re-order period)

220. Maximum usage – 130 units/ day & Re-order period – 25 to 30 days. Calculate re-order level.

- a. 3900 units b. 1150 units c. 7400 units d. 4000 units

221. among the following is correct about abnormal cost.

- a. Expected at a given level of output
b. Charged to Costing P&L a/c
c. Part of Cost of Production
d. charged profit and loss account

222..... among the following costs are charged to Costing P&L a/c.

- a. Estimated cost b. Controllable costs c. Normal cost d. Abnormal Cost

223. Normal costs are generally costs.

- a. Controllable b. Uncontrollable c. Discretionary d. Avoidable

224. Predetermined cost based on technical estimate for materials, labour and overhead for a selected period of time and for a prescribed set of working conditions is known as

- a. Standard cost b. Budgeted cost c. Normal cost d. Avoidable cost

225. An estimate of expenditure for different phases of business operations for a period of time in future is called

- a. Budgeted cost b. Variable cost c. Estimated cost d. Development cost

226. Items of cost like wages, rent, etc. which involves cash payment to outsiders are

- a. Normal cost b. Product cost c. Out of pocket cost d. unit cost

227. Costs required for production and will not be incurred if there is no production are

- a. Product cost b. Direct cost c. Period cost d. Committed cost

228. among the following is not a part of product cost.

- a. Direct Materials b. Direct Labour c. Selling OH d. Factory OH

229. Items of cost like wages, rent, etc. which involves cash payment to outsiders are called

- a. Explicit cost b. Period Cost c. Product cost d. None of the above

230. Certain costs, also known as Economic costs, which do not involve immediate cash payments are called

- a. Explicit cost b. indirect cost c. Avoidable cost d. implicit cost

231. Cost can be directly identified with and allocated to cost units or centre.

- a. Indirect costs b. direct costs c. Product cost d. office cost

232. Overheads or on cost is the total of

- a. All direct expenses b. All indirect expenses
c. Direct Expenses + Factory OH d. Total cost + selling

233. Prime cost is the total of

- a. All direct expenses b. All indirect expenses
c. Direct Expenses + Factory OH d. total cost

234. Hypothetical costs which do not involve any cash outlay and used solely for the purpose of decision making are called.....

- a. Indirect costs
- b. Notional costs
- c. Explicit costs
- d. Total cost

235. Rent on own building is an example of

- a. Imputed cost
- b. explicit cost
- c. Standard cost
- d. abnormal cost

236. The process of charging such costs which are directly identifiable with some products or departments to such cost centres is called.....

- a. Cost absorption.
- b. Cost allocation
- c. Cost Apportionment
- d. cost list

237. Distribution of costs which are not directly identifiable with any cost centre, amongst various cost centres on predetermined basis is called.....

- a. Cost absorption
- b. Cost allocation
- c. Cost Apportionment
- d. cost list

238. 'Regulation by executive action of the costs of operating an undertaking, particularly where such action is guided by Cost Accounting' is known as.....

- a. Cost ascertainment
- b. Cost planning
- c. Cost control
- d. Cost audit

239. Conversion cost is calculated as.....

- a. Sum of all direct materials
- b. Sum of all indirect materials
- c. Total cost of production –Direct materials
- d. Prime cost + Factory OH

240. For exercising control over cost, the best system is costing.

- a. Standard
- b. Historical
- c. Marginal
- d. Estimated

241. is most likely to be a fixed cost.

- a) Cost of materials used in production
- b) Rent
- c) Assembly Labour cost
- d) Commission

242. Remuneration paid to technical director is a part of

- a) Work cost
- b) prime cost
- c) Administrative overhead
- d) Carrying cost

243. The cost associated with storage are an example of

- a) Quality cost
- b) labour cost
- c) Ordering cost
- d) carrying cost

244. Idle time is

- a) Time spent by workers in a factory
- b) Time spent by workers in office
- c) Time spent by workers in their jobs
- d) Time spent by workers without work

245. Material inspection note is signed by the

- a) Inspector
- b) Storekeeper
- c) Cost Accountant
- d) All of the above

246. Overhead expenses can be classified according to

- a) Functions
- b) Elements
- c) Behavior
- d) All of the above

247. The cost which does not involve any cash outlay is

- a) Sunk cost
- b) Imputed cost
- c) Relevant cost
- d) Book cost

248. ABC analysis is a technique developed for

- a) Inventory Management
- b) Inventory control
- c) WIP control
- d) finished stock control

249. Labour turnover is calculated by

- a) Separation method
- b) Replacement method
- c) Flux method
- d) All of above

250. Indirect cost are known as

- a) Fixed cost
- b) overheads
- c) Variable cost
- d) semi variable cost.

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