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PAPER - 8

COST ACCOUNTING BIT QUESTIONS



DIRECTORATE OF STUDIES

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Cost Accounting
Bit Questions

(I) Choose the correct answer from the given alternatives:

1) In process, conversion cost means
- **(a) Cost of direct materials, direct labour, direct expenses**
- **(b) Direct labour, direct expenses, indirect material, indirect labour, indirect expenses**
- **(c) Prime cost plus factory overheads**
- **(d) All costs up to the product reaching the consumer, less direct material costs**

2) At the economic ordering quantity level, the following is true:
- **(a) The ordering cost is minimum**
- **(b) The carrying cost is minimum**
- **(c) The ordering cost is equal to the carrying cost**
- **(d) The purchase price is minimum**

3) When a direct worker is paid on a monthly fixed salary basis, the following is true:
- **(a) There is no idle time lost.**
- **(b) There is no idle time cost.**
- **(c) Idle time cost is separated and treated as overhead.**
- **(d) The salary is fully treated as factory overhead cost.**

4) The following is an example of direct expenses as per CAS-10:
- **(a) Special raw material which is a substantial part of the prime cost.**
- **(b) Travelling expenses to site.**
- **(c) Overtime charges paid to direct worker to complete work before time.**
- **(d) Catalogue of prices of finished products.**

5) The following is not treated as a manufacturing overhead:
- **(a) Lubricants**
- **(b) Cotton waste**
- **(c) Apportioned administration overheads**
- **(d) Night shift allowance paid to a factory worker due to general work pressure.**

6) When you attempt a reconciliation of profits as per Financial Accounts and Cost Accounts, the following is done:
- **(a) Add the under absorption of overheads in Cost Accounts if you start from the profits as per Financial Accounts.**
- **(b) Add the under absorption of overheads in Cost Accounts if you start from the profits as per Cost Accounts.**
- **(c) Add the over absorption of overheads in Cost Accounts if you start from the profits as per Financial Accounts.**
- **(d) Add the over absorption of overheads in Cost Accounts if you start from the profits as per Cost Accounts.**

7) Batch Costing is applied effectively in the following situation:
- **(a) paper manufacturing**
- **(b) drug manufacturing**
- **(c) designer clothes manufacturing**
- **(d) oil refining**

8) In the context of Contract a/c, work completed and not yet certified will beshown
- **(a) at cost plus + 2/3rd of the notional profit under 'Completed Work'.**
- **(b) at cost plus notional profit less retention money under 'Completed Work'.**
- **(c) at cost under 'Completed Work'.**
- **(d) at cost under WIP a/c.**

9) A certain process needed standard labour of 24 skilled labour hours and 30 unskilled labour hours at Rs. 60 and Rs. 40 respectively as the standard labour rates. Actually, 20 and 25 labour hours were used at Rs. 50 and Rs. 50 respectively. Then, the labour mix variance will be
(a) Adverse
(b) Favourable
(c) Zero
(d) Favourable for skilled and unfavourable for unskilled

10) If an organization has all the resources it needs for production, then the principal budget factor is most likely to be
(a) non-existing
(b) sales demand
(c) raw materials
(d) labour supply

11) Cost Unit of Hospital Industry is
(a) Tonne
(b) Student per year
(c) Kilowatt Hour
(d) Patient Day

12) Which of the following is considered as normal loss of material?
(a) Pilferage
(b) Loss due to accident
(c) Loss due to careless handling of material
(d) None of these

13) Idle time is
(a) Time spent by workers in factory
(b) Time spent by workers in office
(c) Time spent by workers off their work
(d) Time spent by workers on their job

14) Warehouse expense is an example of
(a) Production overhead
(b) Selling overhead
(c) Distribution overhead
(d) None of above

15) Which of the following items is not included in preparation of cost sheet?
(a) Carriage inward
(b) Purchase returns
(c) Sales Commission
(d) Interest paid

16) Operating costing is applicable to:
(a) Hospitals
(b) Cinemas
(c) Transport undertaking
(d) All of the above

17) If sales are Rs. 90,000 and variable cost to sales is 75%. Contribution is
(a) Rs. 21,500
(b) Rs. 22,500
(c) Rs. 23,500
(d) Rs. 67,500

18) P/V Ratio will increase if the
- **(a) There is a decrease in fixed cost**
- **(b) There is an increase in fixed cost**
- **(c) There is a decrease in selling price per unit**
- **(d) There is a decrease in variable cost per unit.**

19) Difference between standard cost and actual cost is called as
- **(a) Wastage**
- **(b) Loss**
- **(c) Variance**
- **(d) Profit**

20) Sales Budget is a-
- **(a) Expenditure budget**
- **(b) Functional budget**
- **(c) Master budget**
- **(d) None of the above**

21) Depreciation is a example of-
- **(a) Fixed Cost**
- **(b) Variable Cost**
- **(c) Semi Variable Cost**
- **(d) None**

22) Continuous stock taking is a part of-
- **(a) ABC analysis**
- **(b) Annual stock taking**
- **(c) Perpetual Inventory**
- **(d) None of these**

23) Cost of idle time arising due to non-availability of raw material is
- **(a) Charged to costing profit and loss A/c**
- **(b) Charged to factory overheads**
- **(c) Recovered by inflating the wage rate**
- **(d) Ignored**

24) Over time is
- **(a) Actual hours being more than normal time**
- **(b) Actual hours being more than standard time**
- **(c) Standard hours being more than actual hours**
- **(d) Actual hours being less than standard time**

25) The allotment of whole items of cost centres or cost unit is called
- **(a) Cost allocation**
- **(b) Cost apportionment**
- **(c) Overhead absorption**
- **(d) None of the above**

26) In Reconciliations Statements Expenses shown only in financial accounts are.
- **(a) Added to financial profit**
- **(b) Deducted from financial profit**
- **(c) Ignored**
- **(d) Added to costing profit**

27) Job costing is used in
- **(a) Furniture making**
- **(b) Repair shops**

(c) Printing press
(d) All of the above

28) In a process 8000 units are introduced during a period. 5% of input is normal loss. Closing work in progress 60% complete is 1000 units. 6600 completed units are transferred to next process. Equivalent production for the period is:
(a) 9000 units
(b) 7440 units
(c) 5400 units
(d) 7200 units

29) If sales are Rs. 150,000 and variable cost are Rs. 50,000. Compute P/V ratio.
(a) 66.66%
(b) 100%
(c) 133.33%
(d) 65.66%

30) Standard cost of material for a given quantity of output is Rs. 15,000 while the actual cost of material used is Rs. 16,200. The material cost variance is:
(a) Rs. 1,200 (A)
(b) Rs. 16,200 (A)
(c) Rs. 15,000 (F)
(d) Rs. 31,200 (A)

31) Selling and distribution overheads are absorbed on the basis of
(a) rate per unit.
(b) percentage on works cost.
(c) percentage on selling price of each unit.
(d) Any of the above

32) What entry will be passed under integrated system for purchase of stores on credit?
(a) Dr. Stores
Cr. Creditors
(b) Dr. Purchases
Cr. Creditors
(c) Dr. Stores Ledger Control A/c
Cr. Creditors
(d) Dr. Stores Ledger Control A/c
Cr. General Ledger Adjustment A/c

33) In a process 800 units are introduced during 2016-17. 5% of input is normal loss. Closing work-in-progress 60% complete is 100 units. 660 completed units are transferred to next process. Equivalent production for the period is
(a) 760 units
(b) 744 units
(c) 540 units
(d) 720 units

34) _____ deals with the principles and methods of determining the production or operation overheads.
(a) CAS-3
(b) CAS-5
(c) CAS-9
(d) CAS-16

35) There is a loss as per financial accounts Rs. 10,600, donations not shown in cost accounts Rs. 6,000. What would be the profit or loss as per cost accounts?
(a) Loss Rs. 16,600
(b) Profit Rs. 16,600
(c) Loss Rs. 4,600
(d) Profit Rs. 4,600

36) A hotel having 100 rooms of which 80% are normally occupied in summer and 25% in winter. Period of summer and winter be taken as 6 months each and normal days in a month be assumed to be 30. The total occupied room days will be
(a) 1525 Room days
(b) 18900 Room days
(c) 36000 Room days
(d) None of the above

37) A firm has fixed expenses Rs. 90,000, sales Rs. 3,00,000 and profit Rs. 60,000. The P/V ratio of the firm is
(a) 10%
(b) 20%
(c) 30%
(d) 50%

38) Marginal costing technique follows the following basis of classification:
(a) Element wise
(b) Function-wise
(c) Behavior-wise
(d) Identifiability-wise

39) Which of the following is not a potential benefitsof using a budget?
(a) More motivated managers
(b) Enhanced co-ordination of firm activities
(c) Improved inter-departmental communication
(d) More accurate external financial statements

40) Joint Cost is suitable for-
(a) Infrastructure Industry
(b) Ornament Industry.
(c) Oil Industry
(d) Fertilizer Industry

41) Which of the following is considered as accounting record?
(a) Bin Card
(b) Bill of material
(c) Store Ledger
(d) None of these

42) Time and motion study is conducted by the
(a) Time –keeping department
(b) Personnel department
(c) Payroll department
(d) Engineering department

43) Time keeping refers to
(a) Time spent by workers on their job
(b) Time spent by workers in factory
(c) Time spent by workers without work
(d) Time spent by workers on their job

44) Royalty paid on sales Rs. 89,000 and Software development charges related to product is Rs. 22,000. Calculate Direct Expenses.
- **(a) 1,11,100**
- **(b) 1,11,000**
- **(c) 1,11,110**
- **(d) 1,10,000**

45) Direct Expenses that does not meet the test of materiality can be ———— part of overhead.
- **(a) Treated**
- **(b) Not treated**
- **(c) All of the these**
- **(d) None of these**

46) When the amount of under-or-over-absorption is significant, it should be disposed of by
- **(a) Transferring to costing profit and loss A/c**
- **(b) The use of supplementary rates**
- **(c) Carrying over as a deferred charge to the next accounting year**
- **(d) None of above**

47) Charging to a cost center those overheads that result solely for the existence of that cost Center is known as
- **(a) Allocation**
- **(b) Apportionment**
- **(c) Absorption**
- **(d) Allotment**

48) CAS 21 stands for
- **(a) Capacity Determination**
- **(b) Joint Cost**
- **(c) Direct Expenses**
- **(d) None of these.**

49) Standards deals with determination of averages/equalized transportation cost –
- **(a) CAS 6**
- **(b) CAS 22**
- **(c) CAS 9**
- **(d) CAS 5**

50) Standards deals with the principles and methods of determining depreciation and amortization cost-
- **(a) CAS 9**
- **(b) CAS 12**
- **(c) CAS 15**
- **(d) CAS 16**

51) Integral accounts eliminate the necessity of operating
- **(a) Cost Ledger control account**
- **(b) Store Ledger control account**
- **(c) Overhead adjustment account**
- **(d) None of the above**

52) Equivalent production of 1,000 units, 60% complete in all respects, is:
- **(a) 1000 units**
- **(b) 1600 units**
- **(c) 600 units**
- **(d) 1060 units**

53) Standard price of material per kg is Rs. 20, standard usage per unit of production is 5 kg. Actual usage of production 100 units is 520 kgs, all of which was purchased at the rate of Rs. 22 per kg. Material cost variance is
- **(a) 2,440 (A)**
- **(b) 1,440 (A)**
- **(c) 1,440 (F)**
- **(d) 2,300 (F)**

54) Standard cost of material for a given quantity of output is Rs. 15,000 while the actual cost of material used is Rs. 16,200. The material cost variance is:
- **(a) Rs. 1,200 (A)**
- **(b) Rs. 16,200 (A)**
- **(c) Rs. 15,000 (F)**
- **(d) Rs. 31,200 (A)**

55) The basic difference between a fixed budget and flexible budget is that a fixed budget -
- **(a) is concerned with a single level of activity, while flexible budget is prepared for different levels of activity**
- **(b) Is concerned with fixed costs, while flexible budget is concerned with variable costs.**
- **(c) is fixed while flexible budget changes**
- **(d) None of these.**

56) Batch Costing is suitable for-
- **(a) Sugar Industry**
- **(b) Chemical Industry**
- **(c) Pharma Industry**
- **(d) Oil Industry**

57) Cost units of Hospital Industry is-
- **(a) Tonne**
- **(b) Student per year**
- **(c) Kilowatt Hour**
- **(d) Patient Day**

58) Cost units of Automobile Industry is-
- **(a) Cubic meter**
- **(b) Bed Night**
- **(c) Number of Call**
- **(d) Number of vehicle**

59) Depreciation is a example of-
- **(a) Fixed Cost**
- **(b) Variable Cost**
- **(c) Semi Variable Cost**
- **(d) None of these**

60) The most important element of cost is-
- **(a) Material**
- **(b) Labour**
- **(c) Overheads**
- **(d) All of these**

61) Direct material is a –
- **(a) Adiministration Cost**
- **(b) Selling and Distribution cost**
- **(c) All of these**
- **(d) None of these**

62) Continuous stock taking is a part of-
- **(a) ABC analysis**
- **(b) Annual stock taking**
- **(c) Perpetual Inventory**
- **(d) None of these**

63) Which of the following is considered as accounting record?
- **(a) Bin Card**
- **(b) Bill of material**
- **(c) Store Ledger**
- **(d) None of these**

64) In which of the following incentive plan of payment, wages on time basis are not Guaranteed?
- **(a) Halsey plan**
- **(b) Rowan plan**
- **(c) Taylor's differential piece rate system**
- **(d) Gantt's task and bonus system**

65) Under the high wage plan, a worker is paid
- **(a) At a time rate higher than the usual rate**
- **(b) According to his efficiency**
- **(c) At a double rate for overtime**
- **(d) Normal wages plus bonus**

66) When overtime is required for meeting urgent orders, overtime premium should be
- **(a) Charged to costing profit and loss A/c**
- **(b) Charged to overhead costs**
- **(c) Charged to respective jobs**
- **(d) Ignored**

67) Wages sheet is prepared by
- **(a) Time –keeping department**
- **(b) Personnel department**
- **(c) Payroll department**
- **(d) Engineering department**

68) Labour turnover is measured by
- **(a) Number of workers replaced average number of workers**
- **(b) Number of workers left / number in the beginning plus number at the end**
- **(c) Number of workers joining / number in the beginning of the period**
- **(d) All of these**

69) Over time is
- **(a) Actual hours being more than normal time**
- **(b) Actual hours being more than standard time**
- **(c) Standard hours being more than actual hours**
- **(d) Actual hours being less than standard time**

70) Direct Expenses ———— include imputed cost.
- **(a) Shall**
- **(b) Shall not**
- **(c) None of these**

71) Example of Direct Expenses.
- **(a) Rent**

(b) Royalty charged on production
(c) Bonus to employee
(d) None of these

72) A manufacturing Industry produces product P, Royalty paid on sales is Rs. 23,500 and design charges paid for the product is Rs. 1,500. Compute the Direct Expenses.
(a) 25,000
(b) 22,000
(c) 26,500
(d) None of these

73) Packing cost is a
(a) Production of cost
(b) Selling cost
(c) Distribution cost
(d) It may be any or the above

74) Directors remuneration and expenses form a part of
(a) Production overhead
(b) Administration overhead
(c) Selling overhead
(d) Distribution overhead

75) Charging to a cost center those overheads that result solely for the existence of that cost Center is known as
(a) Allocation
(b) Apportionment
(c) Absorption
(d) Allotment

76) Absorption means
(a) Charging or overheads to cost centers
(b) Charging or overheads to cost units
(c) Charging or overheads to cost centers or cost units

77) Which method of absorption of factory overheads do you suggest in a concern which produces only one uniform type of product :
(a) Percentage of direct wages basis
(b) Direct labour rate
(c) Machine hour rate
(d) A rate per units of output

78) When the amount of under-or-over-absorption is significant, it should be disposed of by
(a) Transferring to costing profit and loss A/c
(b) The use of supplementary rates
(c) Carrying over as a deferred charge to the next accounting year
(d) None of above

79) When the amount of overhead absorbed is less than the amount of overhead incurred, It is called
(a) Under- absorption of overhead
(b) Over-absorption of overhead
(c) Proper absorption of overhead

80) Warehouse expense is an example of
(a) Production overhead

(b) Selling overhead
(c) Distribution overhead
(d) None of above

81)Selling and Distribution overhead are absorbed on the basis of
(a) Rate per unit
(b) Percentage on works cost
(c) Percentage on selling price of each unit
(d) Any of these

82)CAS 21 stands for
(a) Capacity Determination
(b) Joint Cost
(c) Direct Expenses
(d) None of these.

83)CAS 13 stands for
(a) Joint Cost
(b) Interest and financing charges
(c) Employee Cost
(d) Cost of Service cost centre

84) Standard deals with the principles and methods of determining the manufacturing Cost of excisable goods-
(a) CAS 12
(b) CAS 15
(c) CAS 22
(d) CAS 2

85)Standards deals with determination of averages/ equalized transportation cost-
(a) CAS 6
(b) CAS 22
(c) CAS 9
(d) CAS 5

86)Which of the following items is not included in preparation of cost sheet?
(a) Carriage inward
(b) Purchase returns
(c) Sales commission
(d) Interest paid

87)Which of the following items is not excluded while preparing a cost sheet?
(a) Goodwill written off
(b) Provision for taxation
(c) Property tax on Factory building
(d) Transfer to reserves
(e) Interest paid

88)Which of the following are direct expenses?
(1) The cost of special designs, drawings or layouts
(2) The hire of tools or equipment for a particular job
(3) Salesman's wages
(4) Rent, rates and insurance of a factory

(a) (1) and (2)
(b) (1) and (3)

(c) (1) and (4)
(d) (3) and (4)

89)What is prime cost
(a) Total direct costs only
(b) Total indirect costs only
(c) Total non-production costs
(d) Total production costs

90)Which of the following is not an element of works overhead?
(a) Sales manager's salary
(b) Plant manager's salary
(c) Factory repairman's wages
(d) Product inspector's salary

91)In Reconciliations Statements Expenses shown only in financial accounts are.
(a) Added to financial profit
(b) Deducted from financial profit
(c) Ignored
(d) Added to costing profit

92)In Reconciliations Statements Expenses shown only in cost accounts are.
(a) Added to financial profit
(b) Deducted from financial profit
(c) Ignored
(d) Deducted from costing profit

93)In Reconciliations Statements, transfers to reserves are.
(a) Added to financial profit
(b) Deducted from financial profit
(c) Ignored
(d) Added to costing profit

94)In Reconciliations Statements, Incomes shown only in financial accounts are.
(a) Added to financial profit
(b) Deducted from financial profit
(c) Ignored
(d) Deducted from costing profit

95)In Reconciliations Statements, Closing Stock Undervalued in Financial accounts is
(a) Added to financial profit
(b) Deducted from financial profit
(c) Ignored
(d) Added to costing profit

96)Integral accounts eliminate the necessity of operating
(a) Cost Ledger control account
(b) Store Ledger control account
(c) Overhead adjustment account
(d) None of the above

97)What entry will be passed under integrated system for payment to creditors for supplies made?
(a) Dr. Creditors
Cr. Cash
(b) Dr. Creditors

Cr. Stores Ledger Control A/c
(c) No entry

98)The accounting entry in integrated accounts for recording sales will be:
(a) Dr. Cost ledger control account
Cr. Profit and loss account
(b) Dr. Sales account
Cr. Profit and Loss A/c
(c) Dr. Cash A/c
Cr. Sales A/c

99)What will be the accounting entry for absorption of factory overhead?
(a) Dr. Works in progress control A/c
Cr Factory overhead control A/c
(b) Dr. Factory overhead
Cr. Factory overhead control A/c
(c) No entry is required

100)Job costing is used in
(a) Furniture making
(b) Repair shops
(c) Printing press
(d) All of the above

101)In a job cost system, costs are accumulated
(a) On a monthly basis
(b) By specific job
(c) By department or process
(d) By kind of material used

102)The most suitable cost system where the products differ in type of material and work performed is
(a) Operating Costing
(b) Job costing
(c) Process costing
(d) All of these.

103)Cost Price is not fixed in case of
(a) Cost plus contracts
(b) Escalation clause
(c) De escalation clause
(d) All of the above

104)Most of the expenses are direct in
(a) Job costing
(b) Batch costing
(c) Contact costing
(d) None of the above

105)Cost plus contact is usually entered into those cases where
(a) Cost can be easily estimated
(b) Cost of certified and uncertified work
(c) Cost of certified work, cost of uncertified work and amount of profit transferred to Profit and Loss Accounts.

106)Cost of service under operating costing is ascertained by preparing:
- **(a) Cost sheet**
- **(b) Process account**
- **(c) Job cost sheet**
- **(d) Production account**

107)Operating costing is applicable to:
- **(a) Hospitals**
- **(b) Cinemas**
- **(c) Transport undertaking**
- **(d) Allof the above**

108)If sales are Rs. 90,000 and variable cost to sales is 75%, contribution is
- **(a) Rs. 21,500**
- **(b) Rs. 22,500**
- **(c) Rs. 23,500**
- **(d) Rs. 67,500**

109)Variable cost
- **(a) Remains fixed in total**
- **(b) Remains fixed per unit**
- **(c) Varies per unit**
- **(d) Nor increase or decrease**

110)If sales are Rs. 150,000 and variable cost are Rs. 50,000. Compute P/V ratio.
- **(a) 66.66%**
- **(b) 100%**
- **(c) 133.33%**
- **(d) 65.66%**

111)Marginal Costing technique follows the following basis of classification
- **(a) Element wise**
- **(b) Function Wise**
- **(c) Behaviour wise**
- **(d) Identifiability wise**

112)P/V ratio will increase if the
- **(a) There is an decrease in fixed cost**
- **(b) There is an increase in fixed cost**
- **(c) There is a decrease in selling price per unit.**
- **(d) There is a decrease in variable cost per unit.**

113)The technique of differential cost is adopted when
- **(a) To ascertain P/V ratio**
- **(b) To ascertain marginal cost**
- **(c) To ascertain cost per unit**
- **(d) To make choice between two or more alternative courses of action**

114)Difference between the costs of two alternative is known as the
- **(a) Variable cost**
- **(b) Opportunity cost**
- **(c) Marginal cost**
- **(d) Differential cost**

115)Contribution is Rs. 300,000 and sales is Rs. 1,500,000. Compute P/V ratio.
- **(a) 15%**

(b) 20%
(c) 22%
(d) 17.5%

116)Variable cost to sales ratio is 40%. Compute P/V ratio.
(a) 60%
(b) 40%
(c) 100%
(d) None of the these

117)Fixed cost is 30,000 and P/V ratio is 20%. Compute breakeven point.
(a) Rs. 160,000
(b) Rs. 150,000
(c) Rs. 155,000
(d) Rs. 145,000

118)Excess of actual cost over standard cost is known as
(a) Abnormal effectiveness
(b) Unfavourable variance
(c) Favourable variance
(d) None of these.

119)Difference between standard cost and actual cost is called as
(a) Wastage
(b) Loss
(c) Variance
(d) Profit

120)Standards cost is used
(a) To ascertain the breakeven point
(b) To establish cost-volume profit relationship
(c) As a basis for price fixation and cost control through variance analysis.

121)Standard price of material per kg Rs. 20, standards consumption per unit of production is 5 kg. Standard material cost for producing 100 units is
(a) Rs. 20,000
(b) Rs. 12,000
(c) Rs. 8,000
(d) Rs. 10,000

122)Standard cost of material for a given quantity of output is Rs. 15,000 while the actual cost of material used is Rs. 16,200. The material cost variance is:
(a) Rs. 1,200 (A)
(b) Rs. 16,200 (A)
(c) Rs. 15,000 (F)
(d) Rs. 31,200 (A)

123)For the purpose of Proof, Material Cost Variance is equal to:
(a) Material Usage Variance + Material Mix variance
(b) Material Price Variance + Material Usage Variance
(c) Material Price Variance + Material yield variance
(d) Material Mix Variance + Material Yield Variance

124)Cost variance is the difference between
(a) The standard cost and marginal cost
(b) The standards cost and budgeted cost

(c) The standards cost and the actual cost
(d) None of these

125)Standard price of material per kg is Rs. 20, standard usage per unit of production is 5 kg. Actual usage of production 100 units is 520 kgs, all of which was purchase at the rate of Rs. 22 per kg. Material usage variance is
(a) Rs. 400 (F)
(b) Rs. 400 (A)
(c) Rs. 1,040 (F)
(d) Rs. 1,040 (A)

126)Standard price of material per kg is Rs. 20, standard usage per unit of production is 5 kg. Actual usage of production 100 units is 520 kgs, all of which was purchase at the rate of Rs. 22 per kg. Material cost variance is
(a) 2,440 (A)
(b) 1,440 (A)
(c) 1,440 (F)
(d) 2,300 (F)

127)Standard quantity of material for one unit of output is 10 kgs. @ Rs. 8 per kg. Actual output during a given period is 800 units. The standardquantity of raw material
(a) 8,000 kgs
(b) 6,400 Kgs
(c) 64,000 Kgs
(d) None of these.

128)Budgets are shown in ……. Terms
(a) Qualitative
(b) Quantitative
(c) Materialistic
(d) both (b) and (c)

129)Which of the following is not an element of master budget?
(a) Capital Expenditure Budget
(b) Production Schedule
(c) Operating Expenses Budget
(d) All above

130)Which of the following is not a potential benefit of using a budget?
(a) Enhanced coordination of firm activities
(b) More motivated managers
(c) Improved interdepartmental communication
(d) More accurate external financial statements

131)Which of the following is a long-term budget?
(a) Master Budget
(b) Flexible Budget
(c) Cash Budget
(d) Capital Budget

132)Materials become key factor, if
(a) quota restrictions exist
(b) insufficient advertisement prevails
(c) there is low demand
(d) there is no problem with supplies of materials

133)The difference between fixed cost and variable cost assumes significance in the preparation of the following budget.
- **(a) Master Budget**
- **(b) Flexible Budget**
- **(c) Cash Budget**
- **(d) Capital Budget**

134)The budget that is prepared first of all is
- **(a) Master budget**
- **(b) Budget, with key factor**
- **(c) Cash Budget**
- **(d) Capital expenditure budget**

135)Sales budget is a …
- **(a) expenditure budget**
- **(b) functional budget**
- **(c) Master budget**
- **(d) None of these**

136)A flexible budget requires a careful study of
- **(a) Fixed, semi-fixed and variable expenses**
- **(b) Past and current expenses**
- **(c) Overheads, selling and administrative expenses.**
- **(d) None of these.**

137)In a process 6,000 units are introduced during a period. 5% of input is normal loss. Closing work-in-process 60% complete is 800 units. 4,900 completed units are transferred to next process. Equivalent production for the period is
- **(a) 6,800 units**
- **(b) 5,700 units**
- **(c) 5,680 units**
- **(d) 5,380 units**

138)Which of the following best describes a fixed cost?
- **(a) It may change in total where such change is unrelated to changes in production.**
- **(b) It may change in total where such change is related to changes in production.**
- **(c) It is constant per unit of change in production.**
- **(d) It may change in total where such change depends on production within the relevant range.**

139)Z Ltd. is planning to sell 1,00,000 units of product A for Rs. 12.00 per unit. The fixed costs are Rs. 2,80,000. In order to realize a profit of Rs. 2,00,000, what would the variable costs be?
- **(a) Rs. 4,80,000**
- **(b) Rs. 7,20,000**
- **(c) Rs. 9,00,000**
- **(d) Rs. 9,20,000**

140)Standard deals with the cost of service cost center is
- **(a) CAS-9**
- **(b) CAS-13**
- **(c) CAS-16**
- **(d) CAS-22**

141)The most suitable cost system where the products differ in type of material and work performed is
(a) Process Costing
(b) Batch Costing
(c) Job Costing
(d) Operating Costing

142)In a process 10000 units are introduced during a period. 10% of input is normal loss. Closing work-in-process 70% complete is 1500 units. 7500 completed units are transferred to next process. Equivalent production for the period is
(a) 9550 units
(b) 9000 units
(c) 8550 units
(d) 8500 units

143)The sales and profit of a firm for the year 2016 are Rs.1,50,000 and Rs.20,000 and for the year 2017 are Rs.1,70,000 and Rs.25,000 respectively. The P/V Ratio of the firm is
(a) 15%
(b) 20%
(c) 25%
(d) 30%

144)Standard quantity of material for one unit output is 10 kg @ Rs.8 per kg. Actual output during a given period is 600 units. The standard quantity of material for actual output is
(a) 1200 kg
(b) 6000 kg
(c) 4800 kg
(d) 48000 kg

145)Which of the following is a long-term Budget?
(a) Master Budget
(b) Production Budget
(c) Flexible Budget
(d) Capital Budget

146)The main purpose of Cost Accounting is
(a) to maximise profit.
(b) to help in inventory valuation.
(c) to help in the fixation of selling price.
(d) to provide information to management for decision making.

147)In Reconciliation Statement expenses shown only in financial accounts are
(a) added to financial profit.
(b) added to costing profit.
(c) ignored.
(d) deducted from financial profit.

148)Which of the following is a service department?
(a) Refining department
(b) Machining department
(c) Receiving department
(d) Finishing department

149)Which of the following items is not included in preparation of cost sheet?
(a) Purchase returns
(b) Carriage inwards

(c) Sales commission
(d) Interest paid

150)In job costing to record the issue of direct materials to a job which of the following document is used?
(a) Purchase order
(b) Goods receipt note
(c) Material requisition
(d) Purchase requisition

151)In a process 4000 units are introduced during a period. 5% of input is normal loss. Closing work-in-progress 60% complete is 500 units. 3300 completed units are transferred to next process. Equivalent production for the period is
(a) 3550 units
(b) 3600 units
(c) 3800 units
(d) 3950 units

152)Product A generates a contribution to sales ratio of 40%. Fixed cost directly attributable to A amount Rs. 60,000. The sales revenue required to achieve a profit of Rs.15,000 is
(a) Rs 2,00,000
(b) Rs 1,85,000
(c) Rs 1,87,500
(d) Rs 2,10,000

153)During a period 13600 labour hours were worked at a standard rate of Rs. 8 per hour. The direct labour efficiency variance was Rs. 8,800 (Adv). How many standard hours were produced?
(a) 12000 hours
(b) 12500 hours
(c) 13000 hours
(d) 13500 hours

154)Cash Budget of ABC Ltd. forewarns of a short-term surplus. Which of the following would be appropriate action to be taken in such a situation?
(a) Purchase new fixed assets
(b) Repay long-term loans
(c) Write off preliminary expenses
(d) Pay creditors early to obtain a cash discount

155)Costs which are ascertained after they have been incurred are known as
(a) Sunk Costs
(b) Imputed Costs
(c) Historical Costs
(d) Opportunity Costs

156)Prime cost plus variable overheads is known as
(a) Factory Cost
(b) Marginal Cost
(c) Cost of Production
(d) Total Cost

157)In which of thefollowing methods, issue of materials are priced atpre-determined rate?
(a) Specific price method
(b) Standard price method
(c) Inflated price method
(d) Replacement price method

158)For reducing the labour cost per unit, which of the following factors is the most important?
- **(a) Low wage rates**
- **(b) Longer hours of work**
- **(c) Higher input-output ratio**
- **(d) Strict control and supervision**

159)Maximum possible productive capacity of a plant when no operating time is lost is its
- **(a) Normal capacity**
- **(b) Practical capacity**
- **(c) Theoretical capacity**
- **(d) Capacity based on sales expectancy**

160)In job costing, which of the following documents is used to record the issue of direct materials to a job?
- **(a) Goods Receipt Note**
- **(b) Purchase Order**
- **(c) Purchase Requisition Note**
- **(d) Material Requisition Note**

161)The main purpose of accounting of joint products and by-products is to
- **(a) determine the profit/loss on each product line.**
- **(b) determine the selling price.**
- **(c) comply with the statutory requirements.**
- **(d) identify the cost and load it on the main product.**

162)During a period 2560 labour hours were worked at a standard rate of Rs. 7.50 per hour. The direct labour efficiency variance was Rs. 825 (A). How many standard hours were produced?
- **(a) 2400**
- **(b) 2450**
- **(c) 2500**
- **(d) 2550**

163)PQR Ltd. manufactures a single product which it sells forRs.40per unit. Fixed cost is Rs. 60,000 per year. The contribution to sales ratio is 40%. PQR Ltd.'s Break Even Point in units is
- **(a) 3500**
- **(b) 3700**
- **(c) 3750**
- **(d) 4000**

164)The fixed-variable cost classification has a special significance in the preparation of
- **(a) Cash budget**
- **(b) Master budget**
- **(c) Flexible budget**
- **(d) Capital budget**

Answer Key:

1) (b) Direct labour, direct expenses, indirect material, indirect labour, indirect expenses
2) (c) The ordering cost is equal to the carrying cost
3) (b) There is no idle time cost.
4) (b) Travelling expenses to site
5) (d) Night shift allowance paid to a factory worker due to general work pressure
6) (a) Add the under absorption of overheads in Cost Accounts if you start from the profits as per Financial Accounts
7) (b) drug manufacturing
8) (d) at cost under WIP a/c
9) (c) Zero
10) (b) sales demand
11) (d) Patient Day
12) (d) None of these
13) (c) Time spent by workers off their work
14) (c) Distribution overhead
15) (d) Interest paid
16) (d) All of the above
17) (b)Rs. 22,500
18) (d) There is a decrease in variable cost per unit
19) (c) Variance
20) (b) Functional budget
21) (a) Fixed Cost
22) (c) Perpetual Inventory
23) (a) Charged to costing profit and loss A/c
24) (a) Actual hours being more than normal time
25) (a) Cost allocation
26) (a) Added to financial profit
27) (d) All of the above
28) (d) 7200 units
29) (a) 66.66%
30) (a) Rs. 1,200 (A)
31) (d) Any of the above
32) (c) Dr. Stores Ledger Control A/c
Cr. Creditors
33) (d) 720 units
34) (a) CAS-3
35) (c) Loss Rs. 4,600
36) (b) 18900 Room days
37) (d) 50%
38) (c) Behavior-wise
39) (d) More accurate external financial statements
40) (c) Oil Industry
41) (c) Store Ledger
42) (d) Engineering department
43) (b) Time spent by workers in factory
44) (b) 1,11,000
45) (a) Treated
46) (b) The use of supplementary rates

47) (a) Allocation
48) (d) None of these.
49) (d) CAS 5
50) (d) CAS 16
51) (a) Cost Ledger control account
52) (c) 600 units
53) (b) 1,440 (A)
54) (a) Rs. 1,200 (A)
55) (a) is concerned with a single level of activity, while flexible budget is prepared for different levels of activity
56) (c) Pharma Industry
57) (d) Patient Day
58) (d) Number of vehicle
59) (a) Fixed Cost
60) (a) Material
61) (d) None of these
62) (c) Perpetual Inventory
63) (c) Store Ledger
64) (c) Taylor's differential piece rate system
65) (a) At a time rate higher than the usual rate
66) (b) Charged to overhead costs
67) (c) Payroll department
68) (a) Number of workers replaced average number of workers
69) (a) Actual hours being more than normal time
70) (b) Shall not
71) (b) Royalty charged on production
72) (a) 25,000
73) (d) It may be any or the above
74) (b) Administration overhead
75) (a) Allocation
76) (b) Charging or overheads to cost units
77) (d) A rate per units of output
78) (b) The use of supplementary rates
79) (a) Under- absorption of overhead
80) (c) Distribution overhead
81) (d) Any of these
82) (d) None of these
83) (d) Cost of Service cost centre
84) (c) CAS 22
85) (d) CAS 5
86)(d) Interest paid
87)(c) Property tax on Factory building
88)(a) (1) and (2)
89)(a) Total direct costs only
90)(a) Sales manager's salary
91)(a) Added to financial profit

92)(b) Deducted from financial profit
93)(a) Added to financial profit
94)(b) Deducted from financial profit
95)(a) Added to financial profit
96)(a) Cost Ledger control account
97)(a)Dr. Creditors
Cr. Cash
98)(c) Dr. Cash A/c
Cr. Sales A/c
99) (a) Dr. Works in progress control A/c
Cr. Factory overhead control A/c
100)(d) All of the above
101)(b) By specific job
102)(b) Job costing
103)(a) Cost plus contracts
104)(c) Contact costing
105)(b) Cost of certified and uncertified work
106)(a) Cost sheet
107)(d) All of the above
108)(b) Rs. 22,500
109)(b) Remains fixed per unit
110)(a) 66.66%
111)(c) Behaviour wise
112)(d) There is a decrease in variable cost per unit
113)(d) To make choice between two or more alternative courses of action
114)(d) Differential cost
115)(b) 20%
116)(a) 60%
117)(b) Rs. 150,000
118)(b) Unfavourable variance
119)(c) Variance
120)(c) As a basis for price fixation and cost control through variance analysis.
121)(d) Rs. 10,000
122)(a) Rs. 1,200 (A)
123)(b) Material Price Variance + Material Usage Variance
124)(c) The standards cost and the actual cost
125)(b) Rs. 400 (A)
126)(b) 1,440 (A
127)(a) 8,000 kgs
128)(d) both (b) and (c)
129)(b) Production Schedule
130)(d) More accurate external financial statements
131)(d) Capital Budget
132)a) quota restrictions exist
133)(b) Flexible Budget
134)(b) Budget, with key factor

135)(b) functional budget
136)(a) Fixed, semi-fixed and variable expenses
137)(d) 5,380 units
138)(a) It may change in total where such change is unrelated to changes in production
139)(b) Rs. 7,20,000
140)(b) CAS-13
141)(c) Job Costing
142)(c) 8550 units
143)(c) 25%
144)(b) 6000 kg
145)(d) Capital Budget
146)(d) to provide information to management for decision making
147)(a) added to financial profit
148)(c) Receiving department
149)(d) Interest paid
150)(c) Material requisition
151)(b) 3600 units
152)(c) Rs 1,87,500
153)(b) 12500 hours
154)(d) Pay creditors early to obtain a cash discount
155)(c) Historical Costs
156)(b) Marginal Cost
157)(b) Standard price method
158)(c) Higher input-output ratio
159)(c) Theoretical capacity
160)(d) Material Requisition Note
161)(a) determine the profit/loss on each product line
162)(b) 2450
163)(c) 3750
164)(c) Flexible budget

(II) Match the following in Column I with the appropriate in Column II:

1. Match the following:

	Column I		Column II
i.	High Inventory Turnover Ratio	A	Works overhead
ii.	Job evaluation	B	Opportunity Cost
iii.	Salary of Product designers	C	Co-Product
iv.	By product value	D	Sales and Production Budget
v.	Master Budget	E	Administrative Overhead
		F	P & L Budget
		G	Rationality in wage structure
		H	Efficient use of stock
		I	Purchase cost / Average inventory
		J	Evaluationof employee performance

2. Match the following:

	Column I		Column II
i.	Job Ticket	A	A technique of Inventory Control
ii.	Escalation Clause	B	BEP Chart
iii.	VED Analysis	C	Contract Costing
iv.	Angle of Incidence	D	Labour Cost Plus Factory overhead
v.	Conversion Cost	E	A method of time booking

3. Match the following:

	Column I		Column II
i.	Prime Cost	A	CAS 19
ii.	Angle of Incidence	B	Passenger / Kilometer
iii.	Operating Cost	C	Direct Cost
iv.	Joint Cost	D	Constant
v.	Variable Cost per unit	E	Profitability Rate

4. Match the following:

	Column I		Column II
i.	Sunk Cost	A	Costs affected by Decision Making
ii.	VED Analysis	B	Inventory Classification and Control
iii.	Relevant Cost	C	Not Relevant for Decision Making
iv.	FSN Analysis	D	Labour Incentive Method
v.	F.W. Taylor	E	Inventory Control Technique

5. Match the following:

	Column I		Column II
i.	Rowan	A	Single Rate of Overhead
ii.	JIT System	B	Labour Turnover
iii.	Blanker Overhead	C	Capital Structure
iv.	Traditional Approach	D	Bonus Plan
v.	Separation Method	E	Inventory Control

6. Match the following:

	Column I		Column II
i.	Point Rating System	A	Absorbed in cost of production
ii.	JIT System	B	Job Evaluation
iii.	Normal Waste	C	EBIT
iv.	Operating Income	D	Profitability Index
v.	Benefit Cost Ratio	E	Inventory Control

7. Match the following:

	Column I		Column II
i.	Salaries of Directors	A	CAS – 11
ii.	Halsey Plan	B	Dividend Discount Model
iii.	John Burr Williams	C	Waste Reduction Incentive
iv.	Group Bonus Plan	D	Based on 33 1/3 % of time saved
v.	Rowan Plan	E	Indirect labour cost
vi.	Cost of new spare net cost of reconditioning old spare.	F	Based on time saved
		G	Based on proportion of time saved to time allowed.
		H	CAS – 12

8. Match the following:

	Column I		Column II
i.	EOQ	A	Direct labour
ii.	Sunk Cost	B	Inventory Management
iii.	Direct worker's contribution to PF	C	Profitability rate
iv.	Time and Motion Study	D	Direct Material Cost
v.	Primary Packing Material	E	Excluded from Cost
vi.	Telephones	F	Labour Incentive Scheme
vii.	Angle of Incidence	G	No. of extensions in a department

9. Match the following:

	Column I		Column II
i.	Direct Expenses	A	Overhead
ii.	Job Ticket	B	CAS 10
iii.	Step Distribution method	C	A method of time booking

10. Match the following:

	Column I		Column II
i.	Component of cost sheet	A	High initial costs
ii.	Objective of Cost Accounting	B	Classification of cost
iii.	CAS 1	C	In terms of completed units
iv.	Equivalent Production	D	Reference to the job
v.	De-merit of a centralized purchase organization	E	To determine the value of closing inventory

11. Match the following:

	Column I		Column II
i.	Pollution control cost	A	CAS 18
ii.	Joint Cost	B	CAS 2

iii.	Capacity Determination	C	CAS 10
iv.	Direct Expenses	D	CAS 14
v.	Research and Development Cost	E	CAS 19

12. Match the following:

	Column I		Column II
i.	Pollution Control Cost	A	CAS 18
ii.	Joint Cost	B	CAS 2
iii.	Capacity Determination	C	CAS 10
iv.	Direct Expenses	D	CAS 14
v.	Research and Development cost	E	CAS 19
vi.	Donations	F	Decision Package
vii.	Notional Rent charged to	G	Difference in fixed cost/Difference in contribution per unit.
viii.	The method which is followed for evaluation of equivalent production when prices are fluctuating.	H	Average price method
ix.	Indifference Point (in unit)	I	Expenses debited only in cost accounts
x.	Zero based budgeting	J	Appropriations only in financial accounts

13. Match the following:

	Column I		Column II
i.	Advertisement	A	Value of goods in transit
ii.	Credit and Collection	B	Floor area occupied
iii.	Ware house Rent	C	A percentage of cash collection
iv.	Royalties	D	No. of orders
v.	Bad Debts	E	Sales value
vi.	Transit Insurance	F	Direct allocation

14. Match the following:

	Column I		Column II
i.	Primary packing materials consumed	A	Not shown in cost sheet but debited to P & L a/c.
ii.	Captive power plant expense	B	Forms part of Office and Administrative expenses
iii.	Cash discount allowed	C	Forms part of selling expenses
iv.	Scrap value of abnormal loss of finished output	D	Treated as part of factory expenses
v.	Cost of free samples of products distributed	E	Treated as direct expenses
vi.	Depreciation on computer purchased for office	F	Not shown in cost sheet but credited to P & L a/c.
vii.	Donations	G	Expenses debited only in the financial accounts.
viii.	Interest paid on loan	H	Appropriations only in financial accounts
ix.	Notional Rent charged to	I	Expenses debited only in cost accounts
x.	Notional Interest on Owner's Capital	J	Income credited only in cost accounts

15. Match the following:

	Column I		Column II
i.	The contract which provide for payment of actual cost plus an agreed percentage of profit	A	Average price method
ii.	In contract costing, the cost unit is	B	Kilowatt
iii.	Abnormal loss is transferred to	C	Job Costing
iv.	Job costing is used in	D	Normal Output
v.	Under Job order cost system, each job is assigned one identifying job.	E	Cost Plus
vi.	Cost of normal loss is borne by	F	Per bed
vii.	Inherent features of process industry	G	Per contract
viii.	The method which is followed for evaluation of equivalent production when prices are fluctuating.	H	Automobile garages
ix.	In hospital the cost unit is	I	Costing Profit and Loss Account
x.	In electricity companies, the cost unit is	J	Work in Progress

16. Match the following:

	Column I		Column II
i.	Indifference points (in units)	A	Difference in Fixed Cost / Difference in PV ratio
ii.	Breakeven point (in value)	B	Fixed Cost / Contribution per unit
iii.	Variable cost per unit	C	Total Sales Less BEP Sales
iv.	P/V Ratio	D	Marginal Cost
v.	Prime Cost + Variable Overhead	E	Fixed Cost / PV Ratio
vi.	Breakeven Point (in quantity)	F	Difference in Fixed Cost / Difference in Contribution per unit
vii.	Indifference point (in value)	G	Total Contribution / Total Sales x 100
viii.	Shut down point (in Quantity)	H	Avoidable Fixed Cost / PV Ratio
ix.	Shut down point (in value)	I	Fixed
x.	Margin of Safety	J	Avoidable Fixed Cost / Contribution per unit

17. Match the following:

	Column I		Column II
i.	Direct material yield variance	A	(Standard hour for actual production minus Actual hours) x Standard Rate
ii.	Direct labour rate variance	B	(Actual Hours at standard rate of standard gang) minus (Actual Hours at standards Rate of Actual Gang)
iii.	Material price variance	C	Management by Exception
iv.	Variance Analysis	D	(Standard Rate minus Actual Rate) x Actual hour
v.	Direct Labour yield variance	E	(Standard rate x Actual hours paid for) minus (Standard rate x Actual hours worked)
vi.	Direct labour efficiency variance	F	(Standard price minus Actual Price) X Actual Quantity
vii.	Direct material mix variance	G	(Standard Quantity for actual output X Standard Price) minus (Standard price X

			Actual Quantity)
viii.	Gang variance	H	Standard cost per unit x (Standard output for actual mix – Actual output)
ix.	Ideal time variance	I	(Standard yield for actual Mix minus Actual Yield) x Standard yields Price.
x.	Direct material usage variance	J	(Revised Standard Quantity minus Actual Quantity) X Standard Price

18. Match the following:

	Column I		**Column II**
i.	Master budget denotes the summary of	A	Financial means
ii.	A flexible budget takes into the account	B	A specified period
iii.	A budget is expressed in terms of	C	Flexible budget
iv.	Which budget is prepared for a longer period	D	Master budget
v.	Budget is generally prepared for how long	E	Fixed, variable and semi variable costs
vi.	Which budget is prepared for more than one level of activity	F	Functional budget
vii.	The summary of all functional budgets	G	Principle key factor
viii.	Which budget is prepared at first	H	Capital expenditure budget
ix.	Which budget shows utilization of liquid cash	I	Decision package
x.	Zero based budgeting	J	Cash Budget

19. Match the following:

	Column I		**Column II**
i.	Imputed costs	A	Cost control technique
ii.	FSN analysis	B	Treated as part of factory expenses
iii.	Captive power plant expenses	C	Costing Profit and Loss A/c
iv.	Abnormal loss is transferred to	D	Process of classifying material
v.	Variance analysis	E	Direct allocation
		F	Not involving cash outlay
		G	Management by exception
		H	Decision package

20. Match the following:

	Column I		**Column II**
i.	Cash discount allowed	A	Joint Cost
ii.	Escalation Clause	B	Imputed Cost
iii.	CAS – 19	C	Direct Expenses
iv.	Notional Cost	D	Not shown in cost sheet but debited to profit and loss account.
v.	Zero base budgeting	E	Sunk cost
		F	Contract Costing
		G	Decision package
		H	Variable Cost

21. Match the following:

	Column I		Column II
i.	Pharma Industry	A	Opportunity Cost
ii.	Management by exception	B	Direct Allocation
iii.	Assessment of employee with respect to a job	C	Joint Cost
iv.	Royalties	D	Batch costing
v.	CAS – 19	E	Merit Rating
		F	Variance Analysis
		G	Job Evaluation
		H	Notional Cost

22. Match the following:

	Column I		Column II
i.	Notional cost	A	Replacement method
ii.	Labour turnover	B	Cost of utilities
iii.	CAS – 10	C	Production Strategy
iv.	Contract Costing	D	Direct expenses
v.	CAS – 19	E	Costing department
		F	Imputed cost
		G	Escalation clause
		H	Decision Package

Answer Key:

Ans:1

i. H
ii. G
iii. A
iv. B
v. F

Ans:2

i. E
ii. C
iii. A
iv. B
v. D

Ans:3

i. C
ii. E
iii. B
iv. A
v. D

Ans:4

i. C
ii. E
iii. A
iv. B

v. D

Ans:5

i. D
ii. E
iii. A
iv. C
v. B

Ans:6

i. B
ii. E
iii. A
iv. C
v. D

Ans:7

i. A
ii. F
iii. B
iv. C
v. G
vi. H

Ans:8

i. B
ii. E
iii. A
iv. F
v. D
vi. G
vii. C

Ans:9

i. B
ii. C
iii. A

Ans:10

i. D
ii. E
iii. B
iv. C
v. A

Ans:11

i. D
ii. E
iii. B
iv. C
v. A

Ans:12

i. D
ii. E
iii. B
iv. C
v. A

vi. J
vii. I
viii. H
ix. G
x. F

Ans:13

i. E
ii. D
iii. B
iv. F
v. C
vi. A

Ans:14

i. E
ii. D
iii. A
iv. F
v. C
vi. B
vii. H
viii. G
ix. J
x. I

Ans:15

i. E
ii. G
iii. I
iv. H
v. C
vi. D
vii. J
viii. A
ix. F
x. B

Ans:16

i. F
ii. E
iii. I
iv. G
v. D
vi. B
vii. A
viii. J
ix. H
x. C

Ans:17

i. I
ii. D
iii. F
iv. C
v. H
vi. A
vii. J
viii. B

ix. E
x. G

Ans:18

i. F
ii. E
iii. A
iv. H
v. B
vi. C
vii. D
viii. G
ix. J
x. I

Ans:19

i. F
ii. D
iii. B
iv. C
v. G

Ans:20

i. D
ii. F
iii. A
iv. B
v. G

Ans:21

i. D
ii. F
iii. E
iv. B
v. G

Ans:22

i. F
ii. A
iii. D
iv. G
v. C

(III) State whether the following are 'True' or 'False':

1. **Uniform Costing is a unique method of costing to determine costs accurately.**
2. **When overtime wages are incurred due to the general policy of the company arising due to lack of capacity, normal wages are treated as direct labour cost and the premium on overtime wages is treated as factory overheads.**
3. **In marginal and absorption costing, variable factory overhead is treated as direct cost.**
4. **Operation Costing and Operating Costing are interchangeably used for the same technique of costing.**
5. **Standard Costs are costs that are estimated costs that are likely in the future production period.**
6. **A flexible budget is one, which changes from year to year**
7. **Variances are calculated for both material and labour.**
8. **Multiple Costing is suitable for the banking Industry.**
9. **Contact costing is variant of job costing.**
10. **Closing stock of finished goods should be valued on the basis of cost of sales.**
11. **Fixed budget is also known as rigid budget.**
12. **The allocation of joint cost on by-products affects the total profit or loss.**
13. **Job costing is applied only in small concerns.**
14. **For decision making, absorption costing is more suitable than marginal costing.**
15. **Overhead and conversion cost are inter-changeable terms.**
16. **Cost Control and Cost Reductions are one and the same.**
17. **At EOQ Ordering Cost and Carrying Cost are at Minimum and also equal.**
18. **Cost of Concealed Idle Time is charged to Jobs.**
19. **Preliminary expenses in the Balance Sheet is included under Fixed Assets.**
20. **Under the average price method of valuing material issues, a new issue price is determined after each purchase.**
21. **Wages paid for abnormal idle time are added to wages for calculating prime cost.**
22. **Fixed Overheads per unit remains fixed irrespective of volume of output.**
23. **Cost Accounting is defined as technique and process of ascertaining costs.**
24. **Marginal cost is the Prime cost plus Variable Overheads.**
25. **Cost of abnormal idle time is charged to the Product Labour Cost.**
26. **Cost Accounting is not a branch of Financial Accounting.**
27. **Labour Turnover is the change in labour force during a period of time.**
28. **Bincard shows the Quantity of a material at any movement of time.**
29. **Operating Cycle means time required to Produce One Quantity of a Product.**
30. **While working out the EOQ, carrying cost has the element of interest cost. Hence it can be stated that interest cost is treated as part of material cost under CAS—6.**
31. **Normal bad debt is considered as a selling overhead and included in the cost.**
32. **Carriage and Cartage expenses (inward freight) of fuel for a furnace in a factory is treated as direct material cost.**
33. **When under absorption of overheads is corrected by applying supplementary rates, there is no impact in the current period profits due to under absorption as it is corrected and all overheads are charged in the current period.**
34. **Marginal cost per unit remains constant irrespective of the number of units produced within the normal output level.**
35. **M Ltd. provides free service for its cars for the first year of purchase. The cost of this service for M. Ltd. is treated as selling and distribution overhead.**
36. **Danger Level of Inventory should be fixed below the minimum level.**
37. **When the output level is more than the estimated level in a given production period, there is an over absorption of overheads.**
38. **A firm's WIP inventory will not have any element of allocated administration overhead.**
39. **If a project's annual cash flows have positive and negative signs, there will certainly be multiple internal rates of return.**

40. **Royalty based on units produced is considered as direct expenses.**
41. **Ideal standards are achievable in normal course.**
42. **Abnormal Costs are uncontrollable.**
43. **By-products may undergo further processing before sale.**
44. **Materials which can be identified with the given product unit of cost centre is called as indirect materials.**
45. **Increasing Labour Turnover increases the productivity of labour resulting in low costs.**
46. **In case of materials that suffers loss in weight due to evaporation etc. the issue price of the materials is inflated to cover up the losses.**
47. **Penalties and fines are included in cost accounts to determine the cost of production.**
48. **The sum of direct material, direct wages, direct expenses and manufacturing overheads is known as conversion cost.**
49. **CAS -13 is related to "Pollution Control Cost".**
50. **Under Halsey - Weir Plan, bonus equals to 331/3 % of wages of the time saved.**
51. **ABC analysis is not based on the concept of selection inventory management.**
52. **In India, if a worker works for more than 8 hours on any day or for more than 40 hours in a week, he is treated to be engaged in overtime.**
53. **If an expense can be identified with a specific cost unit, it is treated as direct expense.**
54. **CAS 9 is for Direct Expenses as issued by the Cost Accounting Standards Board (CASB) of the Institute of Cost Accountants of India.**
55. **The principal based used for applying factory overhead are: units of production, material cost, direct wages, direct labour hours and machine hours.**
56. **The balancing in costing profit and loss account represents under or over absorption of overheads.**
57. **At breakeven point, contribution available is equal to total fixed cost.**
58. **Standards costing are more profitability employed in job order industries than in process type industries.**
59. **To achieve the anticipated targets, Planning, Co-ordination and Control are the important main tasks of management, achieved through budgeting and budgetary control.**
60. **A flexible budget recognises the difference between fixed, semi-fixed and variable cost and is designed to change in relation to the change in level of activity.**
61. **Differential Cost is the change in the cost due to change in activity from one level to another.**
62. **Cost unit of Hotel industry is student per year.**
63. **Multiple Costing is suitable for the banking Industry.**
64. **Direct Expenses are expenses related to manufacture of a product or rendering of services.**
65. **Profit is result of two varying factors - sales and variable cost.**
66. **Perpetual inventory system enables management to ascertain stock at any time without physical inventory being taken.**
67. **Continuous stock taking is not an essential feature to the perpetual inventory system.**
68. **Bin card is a record of both quantities and value.**
69. **VED analysis is used primarily for control of spare parts.**
70. **Stores ledger is maintained in the stores department.**
71. **Purchase requisition is usually prepared by the storekeeper.**
72. **In centralized purchasing all purchases are made by the purchasing department.**
73. **Weighted average method of pricing issue of materials involves adding all the different prices and dividing by the number of such prices.**
74. **Material returned note is prepared to keep a record of return of surplus materials to stores.**
75. **Under the average price method of valuing material issues, a new issue price is determined after each purchase.**
76. **Waste and Scrap of material have small realization value.**
77. **Slow moving materials have a high turnover ratio.**

78. **Bin card are not the part of accounting records.**
79. **ABC analysis is based on the principle of management by exception.**
80. **Store ledger is maintained inside the stores by store keeper.**
81. **Time recording clocks can be successfully used for recording time of workers in large undertakings.**
82. **Outworkers are those who are sent to sites or customer's premises for performing work.**
83. **Idle time arises only when workers are paid on time basis.**
84. **Personnel department is concerned with proper recruitment, placement and training of workers.**
85. **Wages paid for abnormal idle time are added to wages for calculating prime cost.**
86. **In India, if a worker works for more than 8 hours on any day or for more than 40 hours in a week, he is treated to be engaged in overtime.**
87. **The two principal systems of wage payment are payment on the basis of time and payment on the basis of work done.**
88. **The piece rate system of wage payment cannot be successfully applied where quantity of output can be measured.**
89. **A good system of wage payment should not ensure equal pay for equal work.**
90. **If an expense can be identified with a specific cost unit, it is treated as direct expense.**
91. **Travelling expenses to site is a direct expense.**
92. **Identification of direct expenses shall be based on traceability in an economically feasible manner.**
93. **CAS 9 is for Direct Expenses as issued by the Cost Accounting Standards Board (CASB) of the Institute of Cost Accountants of India.**
94. **Finance Cost shall form part of Direct Expense.**
95. **Departments that assist producing Department indirectly are called service departments.**
96. **Factory overhead cost applied to a job is usually based on a per-determined rate.**
97. **Variable overhead vary with time.**
98. **When actual overhead are more than absorbed overheads, it is known as over-absorption.**
99. **Cash discounts are generally excluded completely from the costs.**
100. **Cost of indirect materials is apportioned to various departments.**
101. **A blanket overhead rate is a single overhead rate computed for the entire factory.**
102. **Under-absorption of overhead means that actual overhead are more than absorbed overhead.**
103. **The principal based used for applying factory overhead are: units of production, material cost, direct wages, direct labour hours and machine hours.**
104. **Allocation, for overhead implies the identification of overhead cost centres to which they relate.**
105. **Total cost = prime cost + All indirect costs.**
106. **Closing stock of work-in-progress should be valued on the basis of prime cost.**
107. **Closing stock of finished goods should be valued on the basis of cost of sales.**
108. **Production cost includes only direct costs related to the production.**
109. **Primary packaging cost is included in distribution cost.**
110. **Notional interest on Owner's capital appears only in financial profit and loss A/c.**
111. **Goodwill written off appears only in cost accounts.**
112. **Overheads are taken on estimated basis in financial accounts.**
113. **Expenses which appears only in financial accounts and not in cost accounts, are Generally notional items.**
114. **Need for Reconciliation arise in case of integrated system of accounts.**
115. **Cost ledger control account makes the cost ledger self balancing.**
116. **Stock ledger contains the accounts of all items of finished goods.**
117. **The purpose of cost control accounts is to control the cost.**
118. **Cost control accounts are prepared on the basis of double entry system.**

119. The balancing in costing profit and loss account represents under or over absorption of overheads.
120. Operating costing is applied to ascertain the cost of products.
121. Cost of operating the service is ascertained by preparing job account.
122. The problem of equivalent production arises in case of operating costing.
123. FIFO methods are followed for evaluation of equivalent production when prices are fluctuating.
124. Work in progress is the inherent feature of processing industries.
125. Costs incurred prior to the split off point are known as "Joint Costs"
126. No distinction is made between Co products and Joint Products.
127. Contact costing is variant of job costing.
128. In contact costing, the unit of cost is a job.
129. Contribution= Sales * P/V ratio.
130. Margin of Safety = Profit / P/V ratio
131. P/ V ratio remains constant at all levels of activity.
132. Marginal Costing follows the behaviour wise classification of costs.
133. At breakeven point, contribution available is equal to total fixed cost.
134. Breakeven point = Profit / P/V ratio.
135. Marginal cost is aggregate of Prime Cost and Variable cost.
136. Variable cost remains fixed per unit.
137. Contribution margin is equal to Sales – Fixed cost.
138. Variable cost per unit is variable.
139. Excess of Actual cost over Standards Cost is treated as unfavourable variance.
140. Variances are calculated for both material and labour.
141. While fixing standards, normal losses and wastages are taken into account.
142. Under the system of standard costing, there is no need for variance analysis.
143. Standard costing is an ideal name given to the estimate making.
144. Standards cost, once fixed cannot be altered.
145. Predetermined standards provide a yardstick for the measurement of efficiency.
146. Material cost variance and labour cost variance are always equal.
147. Fixing standards is the work of industrial engineer or the production people and not of cost accountant.
148. Budget is a means and budgetary control is the end result.
149. To achieve the anticipated targets, Planning, Co-ordination and Control are the important main tasks of management, achieved through budgeting and budgetary control.
150. A key factor or principal factor does not influence the preparation of all other budgets.
151. Budgetary control does not facilitate introduction of 'Management by Exception'.
152. Generally, budgets are prepared to coincide with the financial year so that comparison of the actual performance with budgeted estimates would facilitate better interpretation and understanding.
153. A flexible budget is one, which changes from year to year.
154. Sales budget, normally, is the most important budget among all budgets.
155. The principal factor is the starting point for the preparation of various budgets.
156. A budget manual is the summary of all functional budgets.
157. Factory overhead cost applied to a job is usually based on a pre-determined rate.
158. CAS-19 deals with the principles and methods of determining the manufacturing cost of excisable goods.
159. Cost ledger control account makes the cost ledger self-balancing.
160. FIFO method is followed for evaluation of equivalent production when prices are fluctuating.
161. Standard costs and budgeted costs are inter-related and inter-dependent.
162. Multiple costing is suitable for banking industry.
163. There is inverse relationship between batch size and carrying costs.
164. Marginal costing follows the identifiability wise classification of costs.

165. Bin card is maintained by the costing department.
166. CAS-8 deal with the principles and methods of determining the direct expenses.
167. FIFO method is followed for evaluation of equivalent production when prices are fluctuating.
168. Profit Volume ratio remains constant at all levels of activity.
169. The principal factor is the starting point for the preparation of various budgets.
170. Overtime premium is directly assigned to cost object.
171. In Reconciliation statements, expenses shown only in financial accounts are added to financial profit.

Answer Key:

1. False
2. False
3. False
4. False
5. False
6. False
7. True
8. False
9. True
10. False
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153. False
154. True
155. True
156. False

157. True
158. False
159. True
160. False
161. False
162. False
163. False
164. False
165. False
166. False
167. False
168. True
169. True
170. True
171. True

(IV) Fill in the blanks:

1. Profit volume ratio _____ with increase in fixed cost (indicate the nature of change).
2. In the graph showing the angle of incidence, when the quantity is zero, the total cost line cuts the costs axis (y axis) at_____. (indicate the value)
3. A process account is credited with value for _____ loss when scrap value is zero (indicate the type of loss).
4. When special material is purchased for direct use in a job, _____ account is debited in the Integral Accounts System.
5. VED analysis is primarily used for control of _____ (indicate type of material).
6. Administration overheads are usually absorbed as a percentage of _____
7. Variable cost per unit is _____.
8. Bin card shows _____ details of materials.
9. Sum of material price variance and material usage variance is equalto _____ variance.
10. Contribution earned on Break-even sales equals to _____ of the firm.
11. Profit / P/v Ratio = _____
12. Budget is a quantitative and / or a _____ statement.
13. Fixed cost per unit _____ varies with the no. of units.
14. An activity level of 1000 hours cost is Rs. 10,000 and an activity level for 2000 hours the total cost is Rs. 16,000. The cost at 3000 hours of level of activity is _____
15. _____ is must for meaningful inter-firm comparison.
16. Prime Cost is the aggregate of all _____.
17. Store Ledger is maintained by_____ department.
18. Distribution of all items of Overheads to Product or Departments is known as _____.
19. The Overtime worked at the request of Customer is treated as _____ wages.
20. The excess of Total Cost of production of an article over the direct material cost is known as _____ Cost.
21. Charging of identifiable items of Cost to Cost Centers is known as _____
22. The Objective of Wage Incentives is to improve _____
23. Bin Card is maintained by _____department.
24. The total of all Indirect expenditure is called as _____
25. The abnormal idle time cost is charged to _____ Account.
26. Stores ledger is maintained by _____ department.
27. Interest on capital is an example for _____ Cost.
28. Variable overheads are absorbed by products based on _____ level of capacity utilization.
29. In a textile factory, yarn is starched before it is made into textile. The cost of starch is _____ (give the element of cost).
30. The actual capacity of a manufacturing unit based on temporary sales expectancy is 10,000 units due to lack of orders. The practical capacity is 11,500 units. Then, 1500 units is _____ capacity.
31. E is an exporter who relinquishes his right to a receivable due at a future date in exchange for immediate cash payment at an agreed discount, passing on all the risks and responsibilities for collecting the debt to B. This arrangement is called _____.
32. In a certain factory, normal capacity was 50000 units. Actual capacity utilization was 52000 units. Fixed production overheads should be absorbed based on _____ capacity.
33. X factory outsources the manufacture of a major component to a contractor. The transportation of the component of X factory's premises is borne by X. This transportation cost will be treated as _____ cost (give the element of cost).

34. In the _____ method of pricing material issues, where the prices are falling, profits will rise.
35. In India, commercial papers can be issued in multiples of Rs. _____
36. When raw material is accounted at standard cost, variances due to normal reasons will be treated as _____cost (give the element of cost).
37. Cost of idle time (idle hours x hourly rate) incurred by a worker directly working on a product is treated as _____ (give the element of cost).
38. Royalty payable based on the right to sell is treated as _____ (give the element of cost).
39. When time saved is equal to time taken then earnings of a worker under Halsey Plan and Rowan Plan are the _____
40. The difference between actual and absorbed factory overhead is called _____.
41. Under-absorption of _____ results in higher amount of profit.
42. Direct Expenses incurred for brought out resources shall be determined at _____.
43. Total cost +Profit = _____.
44. In _____ Systems, basis of wages payment is the quantity of work.
45. Current Ratio is the ratio of Current Assets to _____.
46. In standard costs, _____ norm is applied as a scale of reference for assessing actual cost to serve as a basis of cost control.
47. Material Transfer Note is a _____ for transferring the materials from one job to other job.
48. One of the disadvantages of overtime working is incurring _____labour cost.
49. CAS-2 deals with Cost Accounting Standard on _____ determination.
50. Where the cost and financial accounts are maintained independently of each other, it is indispensable to _____ them, as there are differences in the profits of two sets of books.
51. Maximum Level = (_____ +Re-order Quantity) - (Minimum Consumption Rate × Minimum Re-order Period).
52. CAS-8 deals with the principles and methods of determining the _____.
53. Store Ledger is kept and maintained in _____.
54. In a company there were 1200 employee on the rolls at the beginning of a year and 1180 at the end. During the year 120 persons left services and 96 replacements were made. The labour turnover to flux method is _____.
55. Ideal time arises only when workers are paid on _____ basis.
56. Normal idle time costs should be charged to _____ while that due to abnormal reasons should be charged to _____.
57. Direct Expenses incurred for brought out resources shall be determined at _____.
58. Direct Expenses incurred lump-sum shall be _____.
59. Overhead incurred Rs. 16,000 and overhead absorbed Rs. 15,300. There is under absorption of _____
60. Under integrated accounting system, the accounting entry for payment of wages is to debit _____ and to credit cash.
61. Two principle method of evaluation of equivalent production are _____ and _____.
62. When sales are Rs. 300,000 and variable cost is Rs. 180,000, P/V ratio will be _____
63. Goods Received Note is prepared by the _____.
64. Transfer of surplus material from one job or work order is recorded in _____.
65. _____ is discount allowed to the bulk purchaser.
66. _____ is a document which records the return of unused materials.
67. In _____ systems, twopiece rates are set for each job.
68. The formula for computing wages under time rate is _____.

69. In Halsey plan, a worker gets bonus equal to ____ of the time saved.
70. Under Gantt Task and Bonus Plan, no bonus is payable to a worker, if his efficiency is less than_____.
71. Wages sheet is prepared by _____ department.
72. Direct Expenses relate to _____ or _____.
73. Penalties/ damages paid to statutory authorities' _____ be form part of Direct Expenses.
74. A Direct Expenses related to a _____ form part of the Prime Cost.
75. Overheads are an aggregate of _____ and _____and_____
76. Example of after sales services are _____ and _____
77. Administration overheads are usually absorbed as a percentage of _____.
78. The difference between actual and absorbed factory overhead is called _____.
79. The term used for charging of overheads to cost units is known as _____
80. The difference between practical capacity and the capacity based on sales expectancy is known as _____.
81. The _____ rate is computed by dividing the overheads by the aggregate of the productive hours of direct workers.
82. Under or over absorption of overheads arises only when overheads are absorbed by _____.
83. Overhead incurred Rs. 16,000 and overhead absorbed Rs. 15,300. There is under absorption of _____
84. In Absorption Costing _____ cost is added to inventory.
85. Prime cost + Overheads = _____
86. _____ +Profit = Sales.
87. Direct Material + _____ +Direct Expenses=Prime Cost.
88. Salary paid to factory manager is an item of _____.
89. In Reconciliations Statements, Incomes shown only in Financial accounts are _____.
90. In Reconciliations Statements, Expenses shown only in cost accounts are _____.
91. In Reconciliations Statements, overheads Over-Recovered in cost accounts are _____.
92. In Reconciliations Statements, overheads Under Recovered in cost accounts are _____.
93. Notional remuneration to owner is expense debited only in_____.
94. All the transactions relating to materials are recorded through_____.
95. The net balance of _____ represents net profit or net loss.
96. WIP ledger contains the accounts of all the _____which are under _____.
97. The two traditional systems of accounting for integration of cost and financial accounts are the _____ and the _____.
98. Under integrated accounting system, the accounting entry for payment of wages is to debit _____ and to credit cash.
99. Cost of _____ loss is not borne by good units.
100. If the actual loss in a process is less than the normal loss, the difference is known as _____.
101. _____Costs are incurred after split off point.
102. The_____ product generally has a greater sale value than by product.
103. Statement of cost per unit of equivalent production shows the per unit cost _____.
104. In hospital the cost unit is _____.
105. In electricity companies, the cost unit is _____.
106. The method of costing used in undertaking like gas companies, cinema houses, hospitals etc is known as _____.

107. In motor transport costing two example of fixed cost are_____ and _____.
108. Variable cost per unit is _____
109. Marginal cost is the _____ of sales over contribution.
110. P/V ratio is the ratio of _____to sales.
111. If variable cost to sales ratio is 60%, P/V ratio is ____.
112. _____ + Variable overhead = Marginal Cost.
113. When sales are Rs. 300,000 and variable cost is Rs. 180,000, P/V ratio will be ____.
114. Variable cost remains _____.
115. Margin of safety is_____.
116. Breakeven point is _____.
117. Contribution margin equals to _____
118. Standard cost is a _____ cost.
119. Standard cost when fixed is recorded on _____ card.
120. Historical costing uses post period costs while standards costing uses _____ costs.
121. Three types of standards are _____.
122. The _____ is usually the co-ordinator of the standards committee.
123. Standards cost when fixed are recorded on _____ card.
124. Basicallythere are two types of standards viz, a) Basic standards, and _____.
125. When actual cost is less than the standards cost, it is known as _____ variance.
126. Standard Costing is one of the _____ techniques.
127. Standard means a criterion or a yardstick against which actual activity can be compared to determine the _____ between two.
128. Budgets are _____ plans.
129. The key factor in a budget does not remain the _____ every year.
130. Cash budget is a part of _____ budget.
131. _____ budgets are subsidiary to master budget.
132. _____ leads to budgeting and budgeting leads to budgetary control.
133. _____ Control involves checking and evaluation of actual performance.
134. A budget is a _____ to management.
135. The principle budget factor for consumer goods manufacture is normally _____.
136. A budget is a projected plan of action in _____.
137. _____ is the process of regulating the action so as to keep the element of cost within the set parameters.
138. CAS ___ stands for cost of service cost Centre.
139. At _____ contribution available is equal to total fixed cost.
140. The document which describes the budgeting organisation, budgeting procedure etc. is known as _____.
141. _____ is discount allowed to the bulk purchaser.
142. CAS ___ stands for cost of utilities.
143. If the actual loss in a process is less than the normal loss, the difference is known as _____.
144. The principal budget factor for consumer goods manufacturer is normally _____.
145. Differential cost is the change in the cost due to change in _____from one level to another.
146. In contract costing, the cost unit is _____.
147. _____ costs are historical costs which are incurred in the past.
148. CAS-2 deals with Cost Accounting Standard on _____ determination.
149. _____ is the summary of all functional budgets.
150. Standard costing is one of the _____ techniques.

Answer Key:

1. is constant
2. Fixed Cost Value
3. Abnormal
4. WIP Control
5. Components or Spare Parts
6. Work Cost
7. Fixed
8. Quantitative
9. material cost
10. Fixed Cost
11. Margin of Safety
12. Financial
13. Inversely
14. Rs. 22,000
15. Uniform Costing
16. direct expenses
17. costing
18. Apportionment/Allocation
19. Direct
20. Conversion
21. Direct Cost
22. Productivity
23. Store Keeper or Stores Personnel
24. Overheads
25. Costing Profit and Loss
26. Costing
27. Opportunity/Notional/Imputed
28. Actual
29. direct material
30. Idle
31. Forfeiting
32. Actual
33. Material
34. LIFO
35. 5 lacs
36. Direct Material
37. Factory overheads or works overhead
38. Selling Overheads or Selling and Distribution Overheads
39. Same
40. Overheads
41. Overhead
42. invoice price
43. Selling Price
44. Piece Rate
45. Current Liabilities
46. Predetermined
47. Document
48. excess (or additional or more or high)
49. capacity
50. reconcile
51. Reorder Level
52. Cost of utilities
53. cost office
54. 9.08

55. Time
56. Production overhead, Costing P & L A/c
57. Invoice Price
58. Amortized
59. Rs. 700
60. Wages Control Account
61. FIFO, Average Method
62. 40%
63. Receiving Department
64. Material Transfer Note
65. Quantity Discount
66. Material Return Note
67. Taylors Differential Piece Rate
68. Hour worked x Rate per hour
69. 50%
70. 100%
71. Pay Roll
72. manufacturing of a product or rendering of service
73. shall not
74. product
75. Indirect Material, Indirect Labour , Indirect Expenses
76. Repair and Maintenance , Replacement of components
77. Works Cost
78. Overheads
79. Absorptions
80. Idle Capacity
81. Direct Labour Hour
82. overheads rates
83. Rs. 700
84. Fixed
85. Total Cost
86. Cost of Sales
87. Direct Wages
88. Factory Overhead
89. Added to Costing Profit.
90. Added to Costing Profit
91. Deducted from Costing Profit.
92. Added to financial profit.
93. Cost Accounts
94. Stores Ledger Control Accounts
95. Costing Profit and Loss Account
96. Jobs, Execution
97. Double Entry Method, Third Entry Method
98. Control Accounts
99. Abnormal
100. Abnormal Gain
101. Subsequent
102. Main
103. Element wise
104. Per Bed
105. Kilowatt
106. Operating Cost
107. Insurance and Depreciation
108. Fixed
109. Excess
110. Contribution

111. 40
112. Prime Cost
113. 40%
114. fixed per unit
115. Actual sales – Sales at Break Even Point
116. Total Fixed Cost / PV Ratio
117. Sales – Variable Cost
118. Predetermined
119. Standard Cost
120. Predetermined
121. Current, Basic and Normal Standard
122. Cost Accountants
123. Standard Cost
124. Current Standard
125. Favourable
126. Cost Control
127. Difference
128. Action
129. Same
130. Financial
131. Functional
132. Forecasting
133. Budgetary
134. Aid
135. Sales, Demand
136. Physical units and monetary terms
137. Cost Control
138. 13
139. Break Even point
140. Budget Manual
141. Quantity Discount / Trade Discount / Cash discount
142. 8
143. Abnormal gain / Abnormal profit
144. Sales Demand / Market Demand / Lack of Demand
145. Activity
146. per contract
147. Sunk
148. Capacity
149. Master Budget
150. Cost Control

Notes

Behind every successful business decision, there is always a CMA



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