Cost Accounting

1. On the receipt of a production order, the shop draws the __________ materials from the store.

(1) Effective
(2**)** **Requisite**
(3) Defective
(4) None of the above

2. The combined fixed costs need not to be met by the combined BEP sales.

(1) True
(2) **False**

3. The margin of safety = _____ / P/V ratio.

(1) **Profit**
(2) Sales
(3) Value
(4) None of the above

4. The grades of the workers required and the labour time for each job, operation and process is determined by which of the following budgets?

(1) Sales
(2) Materials
(3) **Direct labour**
(4) Production

5. Which of the below mentioned responsibilities and duties should a budget manual include?

(1) Consider recommendations for revision of the budget policies
(2) Receive and review budget estimates from respective divisions
(3) Recommend changes and approval of revised budget
(4) **All of the above**

6. The break-even chart cannot be called as the cost-volume-profit graph.

(1) True
(2) **False**

7. The variable costs can be gauged by the ______ of incidence of the break-even chart.

(1) Cost
(2) Valuation
(3) **Angle**
(4) None of the above

8. Which one of the following is not a part of the break-even analysis?

(1) **Short-term planning**
(2) Long-term planning
(3) Forecasting
(4) None of the above

9. The units representing the abnormal process loss are valued like ____________ units produced.

(1) Profitable
(2) **Good**
(3) Unfinished
(4) None of the above

10. In the process stage, the production is of like units in a _____________ flow.

(1) Discontinuous
(2) **Continuous**
(3) Functional
(4) None of the above

11. The value of the abnormal effectiveness is credited to the concerned process account.

(1) True
(2) **False**

12. The equivalent production represents the production of a process interms of the ____________ units.

(1) Fixed
(2) Uniform
(3) **Complete**
(4) None of the above

13. For producing one unit of product standard cost of a material is:-

Material X : (6kg. @ Rs.8/- per kg.)
Material Y : (4kg. @ Rs.10/- per kg.)

In a week, 1000 units were produced the actual consumption was:-

Material X : 5900kg. @ Rs.10/- per kg.
Material Y : 4800kg. @ Rs.9.50 per kg.

Total material cost variance is:-

(1) Rs.5,000/-
(2) **Rs.16,600/-**
(3) Rs.10,700/-
(4) None of the above

14. Standard cost is expressed in:-

(1) Labour
(2) Material
(3) **Money**
(4) None of the above

15. Prime costs and factory overheads are used to:-

(1) 1) Value inventories
(2) 2) Determine profit & loss
(3) 3) Determine selling cost
(4) **Both 1 & 3**