

**Sample Question Paper**

**Subject- Cost Accounting**

**Subject code 140**

Note – This is a sample Question paper for student's exam reference only, might be pattern of paper can be change in actual examination.

Q.1 Historical costing is also known as:-

1. Standard costing
2. Marginal costing
3. Conventional costing
4. None of these

Correct Answer :-

**Conventional costing**

Q. 2 Counting house salary expenses is a part of:-

1. Selling & distribution overheads
2. Factory overheads
3. Prime cost
4. All of these]

Correct Answer :-

**Factory overheads**

Q. 3 Rent and insurance of a plant or building are cases of which of the following?

1. Fixed overheads
2. Semi-variable overheads
3. Variable overheads
4. All of these

Correct Answer :-

**Fixed overheads**

Q. 4 Following are the methods of inter-service departments transfer of overheads:-

1. Simultaneous equation method

2. Repeated distribution method
3. Trial or error method
4. All of these

Correct Answer :-

**All of these**

Q. 5 Primary distribution of overheads involves allocation or apportionment of the items of overheads to all dept of a factory.

1. TRUE
2. FALSE

Correct Answer :-

**TRUE**

Q. 6 Apportionment of overheads is done in respect of common expenses to be shared by two or more cost centres.

1. TRUE
2. FALSE

Correct Answer :-

**TRUE**

Q. 7 Wages of storekeepers in material stores are:-

1. Direct material cost
2. Production overheads
3. Selling overheads
4. None of these

Correct Answer :-

**Production overheads**

Q. 8 Long term budgets are prepared for a period\_\_\_\_\_.

1. Longer than a month
2. Shorter than a year
3. Longer than a year

4. None of these

Correct Answer :-

**Longer than a year**

Q. 9 Percentage of direct material cost overhead rate is used when:-

1. Heavy machinery is used for production
2. Power requirements are critical
3. Overheads are significant and prices are stable
4. None of these

Correct Answer :-

**Overheads are significant and prices are stable**

Q. 10 Rent, rates and insurance of factory are treated as:-

1. Indirect expense
2. Direct expense
3. Indirect labour
4. None of these

Correct Answer :-

**Indirect expense**

Q. 11 Weighted average price method of pricing issues \_\_\_\_.

1. Does use actual price and is realistic
2. Does not use actual price and is unrealistic
3. Does not involve any clerical work
4. None of these

Correct Answer :-

**Does not use actual price and is unrealistic**

Q. 12 \_\_\_\_\_ costs can be kept minimum without affecting production or sales, because of inventory control.

1. Storing cost
2. Purchase cost
3. Both 1 & 2
4. None of these

Correct Answer :-

**3.Both 1 & 2**

Q. 13 EOU =?

1. Square root ( $2U \cdot p/S$ )
2. Cube root ( $2U \cdot p/S$ )
3. Square root ( $2S \cdot p/U$ )
4. Square ( $2U \cdot p/S$ )

Correct Answer :-

**Square root ( $2U \cdot p/S$ )**

Q. 14 The word FIFO means:-

1. First In First Out
2. Fast Moving Material
3. Final In First Out
4. Final In Final Out

Correct Answer :-

**First In First Out**

Q. 15 To maximise sales value from scrap, spoilage:-

1. Increase its quantity
2. Select the best buyer
3. Accumulate over a long period
4. None of these

Correct Answer :-

**Select the best buyer**