

Sl. No. :



CWA/19

Register
Number

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2019

COST AND WORKS ACCOUNTS
(Intermediate Std.)

Time Allowed : 3 Hours]

[Maximum Marks : 300

Read the following instructions carefully before you begin to answer the questions.

IMPORTANT INSTRUCTIONS

1. The applicant will be supplied with Question Booklet 15 minutes before commencement of the examination.
2. This Question Booklet contains 200 questions. Prior to attempting to answer, the candidates are requested to check whether all the questions are there in series and ensure there are no blank pages in the question booklet. In case any defect in the Question Paper is noticed, it shall be reported to the Invigilator within first 10 minutes and get it replaced with a complete Question Booklet. If any defect is noticed in the Question Booklet after the commencement of examination, it will not be replaced.
3. Answer all questions. All questions carry equal marks.
4. You must write your Register Number in the space provided on the top right side of this page. Do not write anything else on the Question Booklet.
5. An answer sheet will be supplied to you, separately by the Room Invigilator to mark the answers.
6. You will also encode your Question Booklet Number with Blue or Black ink Ball point pen in the space provided on the side 2 of the Answer Sheet. If you do not encode properly or fail to encode the above information, action will be taken as per Commission's notification.
7. Each question comprises four responses (A), (B), (C) and (D). You are to select ONLY ONE correct response and mark in your Answer Sheet. In case you feel that there are more than one correct response, mark the response which you consider the best. In any case, choose ONLY ONE response for each question. Your total marks will depend on the number of correct responses marked by you in the Answer Sheet.
8. In the Answer Sheet there are four circles (A), (B), (C) and (D) against each question. To answer the questions you are to mark with Blue or Black ink Ball point pen ONLY ONE circle of your choice for each question. Select one response for each question in the Question Booklet and mark in the Answer Sheet. If you mark more than one answer for one question, the answer will be treated as wrong. e.g. If for any item, (B) is the correct answer, you have to mark as follows :
(A) ● (B) ● (C) ● (D) ●
9. You should not remove or tear off any sheet from this Question Booklet. You are not allowed to take this Question Booklet and the Answer Sheet out of the Examination Hall during the time of examination. After the examination is concluded, you must hand over your Answer Sheet to the Invigilator. You are allowed to take the Question Booklet with you only after the Examination is over.
10. Do not make any marking in the question booklet except in the sheet before the last page of the question booklet, which can be used for rough work. This should be strictly adhered.
11. Applicants have to write and shade the total number of answer fields left blank on the boxes provided at side 2 of OMR Answer Sheet. An extra time of 5 minutes will be given to specify the number of answer fields left blank.
12. Failure to comply with any of the above instructions will render you liable to such action or penalty as the Commission may decide at their discretion.

SPACE FOR ROUGH WORK 50000008

1. Cost Accounting differs from financial accounting in respect of
- (A) Ascertain cost (B) Recording of cost
 (C) Reporting of cost (D) Control of cost

2. Match List I with List II, choose the correct answer from the codes given below:

List I				List II			
(a)	Total variable cost			1.	Incurred cost		
(b)	Unit fixed cost			2.	Cost assigned to products		
(c)	Actual cost			3.	Increases in proportion to output		
(d)	Period cost			4.	Decreases with rise in output		
(a)	(b)	(c)	(d)				
(A)	1	3	4	2			
(B)	2	1	3	4			
<input checked="" type="checkbox"/> (C)	3	4	1	2			
(D)	4	2	3	1			

3. Cost centres are created for
- (A) Segregating costs into fixed and variable
 (B) Control and fixing responsibility
 (C) Making decisions
 (D) Ascertaining profit

4. Variable cost change _____ with change in output
- (A) Proportionately (B) Indirectly
 (C) Inversely (D) Indirect

5. An integral part of management concerned with identifying, presenting and interpreting information used for
- (I) Formulating strategy
 - (II) Planning and controlling activities
 - (III) Optimising the use of resources
 - (IV) Disclosure to employee
 - (V) Safeguarding assets
- (A) All are correct
- (B) Only (I), (II) and (III) are correct
- (C) (I), (III) and (V) are correct
- (D) (I), (III), (IV) and (V) are correct
6. A product cost estimate derived from a competitive market price is called as
- (A) Target cost
- (B) Periodic cost
- (C) Sunk cost
- (D) Multiple cost
7. Assertion (A) : Cost accounting does not include financial accounting + tax accounting
Reason (R) : Financial accounts are not maintained with the object of fixing selling prices
- (A) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (B) Both (A) and (R) are true but (R) is not the correct explanation of (A)
- (C) (A) is true but (R) is false
- (D) (A) is false but (R) is true
8. Imputed cost is a
- (A) Notional cost
- (B) Real cost
- (C) Abnormal cost
- (D) Variable cost
9. Warehouse rent is a part of
- (A) Prime cost
- (B) Distribution overhead
- (C) Selling overhead
- (D) Factory overhead

10. Which of the following statement is not correct

- (A) Stores ledger is kept by store keeper
- (B) The economic order quantity is the re-order quantities
- (C) Weighted average method reduces the effect of fluctuations in prices
- (D) High inventory turnover rate indicates that the material in question is fast moving

11. Assertion (A) : Perpetual inventory system ascertains stock balance after every receipt and issue of materials

Reason (R) : Perpetual inventory system avoids closing down of firm for stock taking

- (A) Both (A) and (R) are true and (R) is the correct explanation of (A)
- (B) Both (A) and (R) are true but (R) is not the correct explanation of (A)
- (C) (A) is true but (R) is false
- (D) (A) is false but (R) is true

12. LIFO standards for

- (A) Loss in first out
- (B) Last in first out
- (C) Last in fast out
- (D) Last in first output

13. Calculate material inventory turnover ratio from the following:

Opening stock on 1.1.2018 Rs. 10,000

Purchases during the year Rs. 52,000

Closing stock on 31.12.2018 Rs. 6,000

- (A) 5 times
- (B) 7 times
- (C) 5.5 times
- (D) 6.5 times

14. Replacement price method is

- (A) The current purchase price of material is charged on the issues
- (B) The current market price of material is charged on the issues
- (C) The old market price of material is charged on the issues
- (D) The cost price of the material is charged on the issues

15. Small tools purchased are
- (A) Charged to overhead expenses at the time of purchases
 - (B) Charged to machinery account
 - (C) Charged to jobs during the period of purchase
 - (D) Charged to costing Profit and Loss account
16. The value of closing stock approximates to the market value under the method of
- (A) FIFO
 - (B) LIFO
 - (C) NIFO
 - (D) HIFO
17. Which of the following statements regarding techniques of inventory control are correct?
- (A) Fixation of selling price with good profit
 - (B) Establishment of inventory budgets
 - (C) Establishment of inventory sales
 - (D) Fixation of profit with high return
18. Which one of the following is incorrect?
- (A) Minimum stock level
 - (B) Total stock level
 - (C) Average stock level
 - (D) Maximum stock level
19. Scrap is a
- (A) Residue of raw material
 - (B) Wastage of material
 - (C) Surplus material
 - (D) Abnormal loss of material
20. Match the following:
- | Title of report | | | | Submitted to |
|---|-----------------------------------|-----|-----|-----------------------|
| (a) | Material usage and wastage report | | | 1. Store keeper |
| (b) | Material price variance report | | | 2. Works manager |
| (c) | Physical verification report | | | 3. Top management |
| (d) | Material shortage report | | | 4. Purchase committee |
| (a) | (b) | (c) | (d) | |
| (A) 1 | 4 | 3 | 2 | |
| <input checked="" type="checkbox"/> (B) 2 | 4 | 1 | 3 | |
| (C) 3 | 2 | 1 | 4 | |
| (D) 4 | 1 | 3 | 2 | |

21. Calculate labour turnover under replacement method
 Number of employees replaced during 2012 : 1000
 Average number of employees during 2012 : 8000
 (A) 12.5% (B) 10.5%
 (C) 8.5% (D) 10%
22. When the rate per hour is Rs. 1.50 per hour time allowed for job is 20 hours and time taken is 15 hours the total earnings of the worker under Halsey plan is
 (A) 26.25 (B) 25.26
 (C) 22.56 (D) 26.52
23. Time and motion study is essential for
 (A) A rational promotion policy
 (B) Completing a job on time
 (C) Determining the standard time and correct method of completing a task
 (D) Determining prices of products
24. From the following calculate Actual time taken by a worker.
 Actual output on the day = 25 units
 Standard output of product Z = 20 units in a day of 8 hours.
 (A) 6 hours (B) 8 hours
 (C) 12 hours (D) 10 hours
25. Time wages are paid on the basis of
 (A) Standard time (B) Time saved
 (C) Output produced (D) Actual Time
26. Find the overtime hours and overtime wages from the following.
 Actual hours worked = 50
 Normal working hours = 40
 Normal wage rate = Rs. 25 per hour
 (A) 10 hours and Rs. 250 (B) 10 hours and Rs. 500
 (C) 10 hours and Rs. 1000 (D) 100 hours and Rs. 250

27. The formula to measure labour turnover under replacement rate method is
- (A) $\frac{\text{No. of worker left}}{\text{No. of worker at the end}} \times 100$
- (B) $\frac{\text{No. of worker replaced}}{\text{No. of worker at the beginning}} \times 100$
- (C) $\frac{\text{No. of worker Appointed for Extension}}{\text{Average No. of worker}} \times 100$
- (D) $\frac{\text{No. of worker replaced}}{\text{Average No. of workers}} \times 100$
28. Difference between attendance time and job time is
- (A) Job time (B) Over time
- (C) Idle time (D) Production time
29. Under Bedaux point premium system, the point obtained as 'B' represents
- (A) No. of minutes taken for a job (B) No. of hours taken for a job
- (C) No. of units produced (D) No. of workers required for a job
30. Which of the following is incorrect system of time keeping under mechanical method?
- (A) Time keeping recording clocks (B) Dial time records
- (C) Bio-metric system (D) Metal-Disc method
31. Which of the following statements is/ are incorrect?
- (A) Pay roll is prepared to reveal gross wages and various deductions
- (B) Piece wages are payment by results
- (C) Idle time is spent by the workers on their jobs
- (D) Labour turnover is due to poor working conditions of organisation
32. Which one of the following is not the objectives of Time-keeping?
- (A) Ensure regularity of employees (B) Useful for preparation of payroll
- (C) Enforces discipline among work force (D) To take disciplinary action
33. Pick the odd one out :
- (A) Taylor's differential piece rate system (B) Merrick's multiple piece rate system
- (C) Gant's Task Bonus plan (D) Rowan premium plan

34. It is convenience, rather than principle, a particular expense is classified as direct or indirect expenditure is called as:
- (A) Direct materials are treated as overhead
 - (B) Direct and indirect materials
 - (C) Direct wages
 - (D) Indirect wages
35. The combinations of two or more units like passenger-miles, Room-days, patient-Bed days is called as
- (A) Single units
 - (B) Composite unit
 - (C) Double units
 - (D) Multiple units
36. Which of the following item is not consider as direct expenses?
- (A) Architect's surveyor's and other consultants fees
 - (B) Carriage in wards, and freight cost
 - (C) Packing materials are packages required for a particular job
 - (D) Travelling expenses for a sales persons
37. Idle capacity of plant refers to the difference between
- (A) Practical capacity and normal capacity
 - (B) Practical capacity and capacity based on sales expectancy
 - (C) Maximum capacity and practical capacity
 - (D) Maximum capacity and actual capacity
38. The following information relates to a production department of a factory:
- | | |
|---------------------|------------|
| Production overhead | Rs. 40,000 |
| Machine hours | 10,000 |
- Calculate the machine hour rate.
- (A) Rs. 2 per hour
 - (B) Rs. 4 per hour
 - (C) Rs. 4.50 per hour
 - (D) Rs. 5 per hour

39. Which of the following is not a method of cost absorption?
- (A) Percentage of direct material cost (B) Machine hour rate method
 (C) Labour hour rate method (D) Repeated distribution method

40. The monthly budget of a department is as under.

Direct material Rs. 45,000
 Direct wages Rs. 60,000
 Overheads Rs. 90,000

Find out the overhead recovery rate based percentage of prime cost.

- (A) 85.71% (B) 150%
 (C) 200% (D) 71.85%
41. Administration overheads are recovered as a percentage of
- (A) Works cost (B) Prime cost
 (C) Direct materials (D) Direct wages

42. Match the following.

- | | |
|--|------------------------|
| (a) Overheads are the operating cost of a business enterprise which cannot be traced directly to a particular unit of output | 1. Harper |
| (b) Overheads are those costs which do not result from the existence of individual cost units . | 2. ICMA London |
| (c) Overheads are defined as the aggregate of Indirect material cost, Indirect wages and Indirect expenses | 3. Blocker and Weltmer |

- | | (a) | (b) | (c) |
|-----|-----|-----|-----|
| (A) | 2 | 1 | 3 |
| (B) | 3 | 2 | 1 |
| (C) | 3 | 1 | 2 |
| (D) | 1 | 3 | 2 |

43. In a certain factory during a month, a production department has incurred the following costs: Direct material Rs.10,000, Production overhead Rs.2500. Calculate the direct material percentage of overhead.

- (A) 25% (B) 28%
 (C) 22% (D) 20%

44. Calculate closing stock of material under weighted average method:
 Opening stock on = 1.1.2010 : 100 tones @ Rs. 100 per ton
 Purchase on : 10.1.2010 : 400 tones @ Rs. 110 per ton
 Issue on 15.1.2010 : 200
- (A) Rs. 32,500 (B) Rs. 32,400
 (C) Rs. 32,450 (D) Rs. 32,600
45. Overheads are also known as _____ cost.
- (A) Direct (B) Indirect
 (C) Prime (D) Sunk
46. Point out which one of the following is not consider as purely financial incomes?
- (A) Rent receivable (B) Discount on bonds, debentures, etc.
 (C) Transfer fees received (D) Income tax refund
47. The term 'cost' refers to
- (A) An asset that has given benefit and is now expired
 (B) The value of the sacrifice made to acquire goods or services
 (C) Present value of future benefits
 (D) The price of products sold or services rendered
48. When there is loss on an incomplete contract, the transfer to P and L A/c is
- (A) Proportionate loss to work certified
 (B) Proportionate loss to cash received to work certified
 (C) Full amount of the loss
 (D) Half amount of the loss
49. Under valuation of closing stock in cost accounts
- (A) Decreases costing profit (B) Increases costing profit
 (C) Decreases financial accounts profit (D) Increases financial accounts profit

50. Donations and charities paid shown in the financial accounts is
- (A) Appropriation of profit (B) Financial charge
 (C) Fictitious Asset (D) Financial Income
51. Works overheads on incomplete jobs at the end of the period are transferred to which account?
- (A) Works overhead control account
 (B) Works overhead suspense account
 (C) Work-in-progress ledger control account
 (D) Stores ledger account
52. Reconciliation 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 accounts profit
 (D) Current year profit with next year provisions
53. Which of the following statements is incorrect?
- (A) Generally there is no 100% integration of cost and financial accounts
 (B) Integral system of accounting is more useful in case of small concerns
 (C) Mechanised system of accounting can be used with integral system of accounting
 (D) Both cost and financial accounts are inter locked by control accounts
54. Over absorption of overheads in cost accounts results in
- (A) Decrease in costing profit
 (B) Increase in costing profit
 (C) Decrease in Financial Accounts profit
 (D) No effect on profits of both the accounts
55. Which of the following statements are incorrect?
Statement 1 : Total direct costs is prime cost
Statement 2 : Import duty is direct cost
- (A) Statement 1 and 2 are incorrect
 (B) Statement 1 and 2 are correct
 (C) Statement 1 is correct but 2 is incorrect
 (D) Statement 1 is incorrect but 2 is correct

56. Calculate the cost of sales of Job.No.618: Works cost Rs. 6000, Office cost 10% of work cost
Selling overhead 5% of works cost.
- (A) Rs. 900 (B) Rs. 6,630
 (C) Rs. 6,900 (D) Rs. 6,930
57. A lorry delivers goods to intermediate destinations on a journey from x and y where vehicle space is the limiting factor. Which of the following is the most appropriate cost charge rate?
- (A) Per cubic metre mile (B) Per cubic metre
 (C) Per mile (D) Per tonne mile
58. Composite Unit is a distinctive feature of which method of costing?
- (A) Single costing (B) Operating costing
 (C) Process costing (D) Job costing
59. Find out abnormal loss value. Materials 1000 kg @ 125, Wages ₹.28000 overheads ₹.8000, Normal loss 5% Output 900 kg:
- (A) ₹.6,525 (B) ₹.8,524
 (C) ₹.8,274 (D) ₹.8,474
60. From the following information calculate EBQ.
- Annual demand 2400 units
 Setting up cost per batch ₹.100
 Manufacturing cost per unit ₹.200
 Carrying cost 6% p.a.
- (A) 20 Units (B) 220 Units
 (C) 200 Units (D) 2000 Units
61. A job order cost accumulation system is most suitable where:
- (A) Mass production techniques are used
 (B) Continuous processing is performed
 (C) Homogeneous products are produced
 (D) Customized products are produced

62. _____ is usually provided in the contract as a safeguard against likely changes in price and utilization of material and labour
- (A) Escalation clause (B) Cost-plus contract
 (C) Defective work (D) Extra work
63. In a contract costing, direct wages are debited to
- (A) Contract a/c (B) Contractor's a/c
 (C) Contractee's a/c (D) Work-in-progress a/c
64. Paper mills are must adopt
- (A) Unit costing (B) Process costing
 (C) Job costing (D) Contract costing
65. Job costing is the most suitable method for
- (A) Oil processing units (B) Transport Companies
 (C) Sugar Industry (D) Repair shops
66. Identify the name of industry for batch costing:
- (A) Chemical (B) Readymade Garments
 (C) Transport (D) Furniture
67. Which of the following statement is incorrect?
- (A) Operating costing is more suitable for manufacturing Industries
 (B) Cost units in industries employing operating costing differ from Industry to Industry
 (C) Running changes are fully variable in nature
 (D) Operating costing is useful in decision making
68. Meaning of Angle of Incidence.
- (A) Angle between Sales and Fixed cost lines
 (B) Angle between Sales and Variable Cost lines
 (C) Angle between Sales and Total cost lines
 (D) Angle between Sales and contribution
69. The best sales mix is a mix with results of highest
- (A) Break even (B) Profit
 (C) Contribution (D) Variable cost

70. Match the following :

- | | |
|------------------------|------------------------|
| (a) Absorption Costing | 1. Limiting factor |
| (b) Marginal Costing | 2. Fixed cost + profit |
| (c) Key factor | 3. Total costing |
| (d) Contribution | 4. Variable costing |

- | | (a) | (b) | (c) | (d) |
|---|-----|-----|-----|-----|
| <input checked="" type="checkbox"/> (A) | 3 | 4 | 1 | 2 |
| (B) | 1 | 4 | 3 | 2 |
| (C) | 4 | 3 | 1 | 2 |
| (D) | 3 | 1 | 4 | 2 |

71. Difference between the costs of two alternative is known as the

- | | |
|-------------------|---|
| (A) Variable cost | (B) Opportunity cost |
| (C) Marginal cost | <input checked="" type="checkbox"/> (D) Differential cost |

72. From the following which is incorrect Equation of contribution:

- | | |
|--|---------------------------|
| (A) Sales – Variable Cost | (B) Fixed Cost + Profit |
| <input checked="" type="checkbox"/> (C) Sales – Fixed Cost | (D) Sales – Marginal Cost |

73. Examine whether the following equations is/are correct

(i) $\text{Sales} = \frac{\text{Contribution}}{\text{P/V ratio}}$

(ii) $\text{Contribution} = \frac{\text{P/V ratio}}{\text{sales}}$

- | |
|--|
| (A) (i) and (ii) are correct |
| <input checked="" type="checkbox"/> (B) (i) is correct and (ii) is wrong |
| (C) (i) is wrong and (ii) is correct |
| (D) (i) and (ii) are wrong |

74. Differential cost is the difference in

- | |
|--|
| (A) Fixed costs for two levels of output |
| (B) Variable costs for two levels of production |
| <input checked="" type="checkbox"/> (C) Total costs for two levels of output |
| (D) Fixed cost and revenue |

75. Both fixed and variable components and which is thus partly affected by a change in the level of activity is called as:
- (A) Variable cost (B) Semi variable cost
 (C) Fixed cost (D) Total cost
76. Contribution is the difference between
- (A) Fixed Cost and Variable Cost (B) Sales and Total cost
 (C) Fixed Cost and Sales (D) Sales and Marginal Cost
77. Break – even point is that point of activity where
- (A) Total revenues and total expenses are equal
 (B) Total revenues increases and total expenses decreases
 (C) Total revenues and total expenses are in equal
 (D) Total expenses increases and total revenues decreases
78. Using the following information, calculate labour efficiency variance and Idle time variance.
 Direct wages = Rs. 3,000
 Standard hour produced = 1600 standard rate/hr = Rs. 1.50/-
 Actual hrs taken = 1500 hrs out of which idle time is 50 hrs
- (A) 225 (F); 75 (A) (B) 150 (F); 50 (A)
 (C) 150 (A); (50) (A) (D) 225 (A); 75 (A)
79. The standard time allowed for the manufacture of product X is 15 minutes per unit. During the month that ended in June, it is found that the actual production is 1600 units.
 What is the standard hours for the output achieved?
- (A) 100 hours (B) 200 hours
 (C) 300 hours (D) 400 hours
80. 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. 18,000 (D) Rs. 10,000

88. Identify the Capacity Ratio

(A) $\frac{\text{Number of actual working hours in a period}}{\text{Number of working days in the budget period}} \times 100$

(B) $\frac{\text{Actual hours worked}}{\text{Budgeted hours}} \times 100$

(C) $\frac{\text{Standard hours for actual production}}{\text{Actual hours worked}} \times 100$

(D) $\frac{\text{Standard hours for actual production}}{\text{Budgeted standard hours}} \times 100$

89. _____ budgeting process requires the managers to justify his entire budget request in detail from scratch.

(A) Traditional

(B) Zero-Base

(C) Performance

(D) Programme

90. 'Working Capital Budget' is a _____ budget

(A) Operating

(B) responsibility

(C) Programme

(D) Financial

91. Zero base Budgeting refers to

(A) Short term and Long term budgeting

(B) Performance reporting

(C) Justification of every item in the budget afresh

(D) Responsibility Accounting

92. The following are classification of budgets according to same basis except.

(A) Classification according to time

(B) Classification based on functions

(C) Classification on the basis of flexibility

(D) Classification on the basis of service

93. The summary of all functional budgets is

(A) Functional budget

(B) Master budget

(C) Zero budget

(D) Overhead budget

94. The budget that is prepared like profit and loss account and balance sheet is
- (A) Cash Budget (B) Production Budget
 (C) Master Budget (D) Sales Budget
95. Purchase Budget is mainly dependent on material requirement Budget and
- (A) Sales Budget (B) Production Budget
 (C) Labour Budget (D) Performance Budget
96. Budget is classified as basic budget and current Budget on the basis of
- (A) Coverage (B) Capacity
 (C) Condition (D) Period
97. Ascertain cash paid in June 2017 from the following date :
- Purchases
- | | |
|-------|------------|
| April | Rs. 60,000 |
| May | Rs. 75,000 |
| June | Rs. 50,000 |
- Credit term: Purchases are 50% cash lag period
 For credit purchases: 2 months
- (A) Rs. 55,000 (B) Rs. 62,500
 (C) Rs. 60,000 (D) Rs. 57,500
98. Z and Co has budgeted manufacturing costs for 25,000 units are fixed manufacturing costs Rs. 25,000/month variable costs are Rs. 12.00/unit. Z and Co produced 20,000 units during May. How much is the flexible budget for the total manufacturing costs for May?
- (A) Rs. 2,60,000 (B) Rs. 3,25,000
 (C) Rs. 2,40,000 (D) Rs. 2,65,000

99. Prime cost plus factory overhead cost is
- (A) Conversion cost
 - (B) Production cost
 - (C) Total cost
 - (D) Cost of goods sold

100. Elements of cost are
- (A) Three types
 - (B) Two types
 - (C) Four types
 - (D) Five types

101. Match the following items :

- | | |
|------------------------|--------------------|
| (a) Prime cost | 1. Selling cost |
| (b) Works cost | 2. Gross cost |
| (c) Cost of production | 3. Production cost |
| (d) Cost of sales | 4. First cost |

- | | (a) | (b) | (c) | (d) |
|-----|-----|-----|-----|-----|
| (A) | 2 | 1 | 4 | 3 |
| (B) | 4 | 3 | 2 | 1 |
| (C) | 3 | 2 | 1 | 4 |
| (D) | 1 | 4 | 3 | 2 |

102. Cost unit of Automobile Industry is

- (A) Tonne
- (B) Quintal
- (C) Number
- (D) Passenger Kilometer

103. Works cost including the following expenses

- (A) Prime cost, Factory expenses, Selling expenses
- (B) Factory expenses, Prime cost, Selling expenses
- (C) Prime cost, Factory expenses, Office expenses
- (D) Prime cost, Factory expenses

104. Cost of defectives is deducted from

- (A) Prime cost
- (B) Works cost
- (C) Cost of production
- (D) Cost of sales

105. The basis for (or) factors affecting determination of cost units
- (I) Organisation of the factory
 - (II) Conditions of incidence of cost
 - (III) Requirement of costing system
 - (IV) Management policy
- (A) All are correct (I, II, III and IV)
- (B) II only
- (C) III only
- (D) I only
-
106. The technique and process of ascertaining the cost of activities, processes, products or service is termed as
- (A) Costing
- (B) Cost accounting
- (C) Cost centre
- (D) Cost method
-
107. In which of the following industry 'contract costing' is used?
- (A) Ship building
- (B) Nursing home
- (C) Textile mills
- (D) Bicycle
-
108. Travelling expenses includes
- (A) Prime cost
- (B) Cost of sales
- (C) Factory cost (or) works cost
- (D) Cost of production
-
109. Which of the following is incorrect?
- (A) Elements of cost = Material + Labour + Expenses
- (B) Prime cost = Direct material + Direct labour + Direct Expenses
- (C) Raw material consumed = Opening stock + Sales - Closing stock
- (D) Overheads = Indirect material + Indirect labour + Indirect Expenses

110. Find out the incorrect statement:

Cost Accounting

- (I) Provides base for management accounting
- (II) Helps in collecting cost data for management
- (III) Can be installed without management accounting
- (IV) Includes financial accounting, tax planning and tax accounting

(A) (I) and (II)

(B) (III) and (IV)

(C) (III) alone

(D) (IV) alone

111. Inventory turnover ratio is

(A) Prime cost/ average stock.

(B) Cost of material consumed/cost of average stock.

(C) Cost of sales/ average stock

(D) Cost of production/average stock

112. LIFO method of pricing of material issues is more suitable when

(A) Material prices are fluctuating

(B) Material prices are unchanging

(C) Material prices are falling

(D) Material prices are rising

113. A materials requisition form normally does not contain which of the following?

(A) Vendor's name

(B) Job number

(C) Quantity requisitioned

(D) Unit cost.

114. Simple average price method is more suitable when

(A) Material prices are rising

(B) Material prices are falling

(C) Material prices do not fluctuate considerably

(D) Material prices are constant

115. Store ledger is maintained in
- (A) Receiving department (B) Sales department
 (C) Costing department (D) HR department
116. Perpetual inventory system comprises
- (A) Bincards, Stores Ledger and continuous stocktaking
 (B) Bincards, Bill of materials and material requisition
 (C) Stores ledger, material requisition and purchase order
 (D) Inward invoices, outward invoices and continuous stock taking
117. Safety stock = 30 days consumption, Annual Consumption (360 days) = 12000 units, Normal Lead time = 15 days. Re-order level = ?
- (A) 1096 units (B) 1500 units
 (C) 1000 units (D) 500 units
118. Re-ordering level is equal to
- (A) Maximum consumption × minimum re-order period
 (B) Maximum consumption × maximum re-order period
 (C) Normal usage × normal delivery period
 (D) Minimum consumption × minimum re-order period
119. Match List I with List II and select your answer using the codes given below
- | List I | | | | List II |
|---|---------------------------------------|-----|-----|-----------------------|
| (a) | Work cost + Administrative expenses | | | 1. Cost of sales |
| (b) | Prime cost + Factory overheads | | | 2. Cost of production |
| (c) | Material consumed + Direct labour | | | 3. Work cost |
| (d) | Cost of production + selling expenses | | | 4. Prime cost |
| (a) | (b) | (c) | (d) | |
| (A) | 1 | 2 | 3 | 4 |
| (B) | 1 | 3 | 2 | 4 |
| <input checked="" type="checkbox"/> (C) | 2 | 3 | 4 | 1 |
| (D) | 3 | 2 | 1 | 4 |

120. Find out the Economic Ordering Quantity (EOQ) from the following particulars:

Annual usage : 6000 units

Cost of material per unit : Rs. 20

Cost of placing and receiving one order : Rs. 60 Annual carrying

Cost of one unit = 10% of inventory value

(A) 500 units

(B) 400 units

(C) 600 units

(D) 700 units

121. In Periods of Heavy Fluctuations in the prices of materials, _____ method gives better results

(A) Average Cost

(B) First in first out

(C) Last in first out

(D) Highest in first out

122. Stock control through stock levels and EOQ is called

(A) Demand and supply method

(B) Perpetual inventory system

(C) Control by importance and exception

(D) ABC analysis

123. Calculate maximum stock level:

Re-order level : 4000 kgs : Re- order qty : 2500 kgs

Minimum re order period : 6-weeks: minimum consumption per

Week : 300 kgs

(A) 4700 kgs

(B) 4800 kgs

(C) 4900 kgs

(D) 4000 kgs

124. Point out which one of the following is not considered as an objective of time keeping?

(A) Ensures regularity of employees

(B) Satisfy safety requirement

(C) Useful for preparation of payroll

(D) Useful for getting more salary

125. Under Halsey – Wair premium plan $66\frac{2}{3}\%$ of the time saved is shared by

(A) Labour

(B) Employee

(C) Employer

(D) Contractor

126. Match the following.

List A

- (a) Time keeper is
- (b) Lathe operator is
- (c) Unproductive time
- (d) Job timing is known as

List B

- 1. A direct worker
- 2. Idle time
- 3. Time booking
- 4. An indirect worker

(a) (b) (c) (d)

- (A) 4 2 3 1
- (B) 2 3 4 1
- (C) 4 1 2 3
- (D) 3 2 1 4

127. Wage sheet is prepared by

- (A) Cost accounting department
- (B) Pay roll department
- (C) Personnel department
- (D) Time-keeping department

128. Piece-wage system is

- (A) Benefits the employer only
- (B) Benefits the employee only
- (C) Recognises individual efficiency
- (D) Is favoured by trade unions

129. Direct Labour means

- (A) Labour which can be conveniently associated with a particular cost unit
- (B) Labour which completes the work manually
- (C) Permanent Labour in the production department
- (D) Labour which is recruited directly

130. Bonus under Halsey plan is paid

- (A) At 100% of Time saved
- (B) At 75% of Time saved
- (C) At 80% of Time saved
- (D) At 50% of Time saved

131. Labour Turnover is related with the following

- (A) Efficiency of labour
(B) Change of labour force
(C) Productivity of labour
(D) Recruitment of labour

132. Match the following.

Industry/Product		Cost Unit	
(a) Soft drink		1. Kilogram	
(b) Ice cream		2. Metre of cloth	
(c) Lodging		3. Pack of 24 bottles	
(d) Textile		4. Room-days	
(a)	(b)	(c)	(d)
(A) 3	2	1	4
(B) 3	1	4	2
(C) 3	4	1	2
(D) 4	3	2	1

133. Which of the following statement is correct?

- (A) Direct expenses and chargeable expenses are synonymous terms
(B) The term 'Overheads' includes direct expenses also
(C) Direct expenses can be conveniently and wholly allocated
(D) Wages paid to a worker working on a specific job can be taken as direct expenses

134. Royalties, payable on the basis of production is

- (A) Treated as Direct expenses
(B) Treated as Indirect expenses
(C) Included in cost of production
(D) Excluded from cost of production

135. _____ costing is used to control direct expenses.

- (A) Standard
(B) Process
(C) Batch
(D) Marginal

136. Rent paid for finished goods warehouse is a

- (A) Fixed cost
(B) variable cost
(C) Semi variable cost
(D) Marginal cost

137. Overhead means

- (A) The aggregate of Indirect material cost, direct wages and indirect expenses
- (B) The cost of Indirect materials, indirect Labour and other expenses including services as can conveniently be charged to a specific unit
- (C) Only indirect expenses
- (D) The operating cost of business enterprise, which cannot be traced directly to a particular unit of output

138. Apportion the cost of power to the user departments:

Cost of power ₹.10,000

Kilowatt (KWH) of power consumed

Dept : A : 620 KWH

Dept : B : 380 KWH

Dept : C : 500 KWH

Dept : D : 500 KWH

- (A) ₹.3100, ₹.1900, ₹.2500, ₹.2500 (B) ₹.3100, ₹.1800, ₹.2500, ₹.2500
- (C) ₹.2500, ₹.1500, ₹.2500, ₹.2500 (D) ₹.2500, ₹.2000, ₹.2750, ₹.2750

139. In what basis can be apportioned 'Recreation expenses to the department'.

- (A) Material cost (B) Prime cost
- (C) Wages (D) Number of employees

140. _____ used for collection of Indirect expenses.

- (A) Cost journal (B) Invoices/Cash Memos
- (C) Material requisition (D) Wage analysis book

141. Comprehensive machine hour rate includes

- (A) Value of machines (B) Salary of foreman, supervisor etc
- (C) Machine Operator's wages (D) Depreciation allowed on machine

142. Direct material + Direct labour + Direct expenses is called as

- (A) Factory cost (B) Prime cost
- (C) Cost of production (D) Cost of goods sold

143. As distinguished from blanket overhead rate, multiple overhead rate signifies

- (A) A rate of absorption for each item of overhead
- (B) A rate for each firm in the industry
- (C) A rate for each plant
- (D) Subdivided overhead rates

144. The gradual elimination of service department expenses one by one is known as

- (A) Direct method
- (B) Repeated method
- (C) Step method
- (D) Equation method

145. Departmentalisation of overhead is known as

- (A) Primary distribution
- (B) Secondary distribution
- (C) Absorption
- (D) Repeated distribution

146. Appropriate basis for apportionment of material handling charge is

- (A) Material purchased
- (B) Material in stock
- (C) Material consumed
- (D) Material wasted

147. 'Recreation expenses' in factory are apportioned on the basis of

- (A) Material cost
- (B) Wages
- (C) Prime cost
- (D) Number of employees

148. Match the items with basis of apportionment of cost.

- | | |
|--------------------|----------------|
| (a) Rent | 1. Plant value |
| (b) Depreciation | 2. Stock value |
| (c) Power | 3. Floor area |
| (d) Fire Insurance | 4. Hp of plant |

- | | (a) | (b) | (c) | (d) |
|---|-----|-----|-----|-----|
| (A) | 1 | 3 | 4 | 2 |
| (B) | 2 | 1 | 3 | 4 |
| <input checked="" type="checkbox"/> (C) | 3 | 1 | 4 | 2 |
| (D) | 1 | 3 | 2 | 4 |

149. If an expense is linked to a specific cost unit it is treated as _____ cost.

- (A) Direct
- (B) Indirect
- (C) Fixed
- (D) Variable

150. Point out which, one of the following statement is false.
- (A) There is only one figure of profit under integral accounting system
 (B) Integrated accounts eliminate the necessity of operating General Ledger Control Account
 (C) Cost and financial accounts are reconciled under non-integral accounting
 (D) Over-absorption of production overheads in cost accounts is deducted in costing profit to reconcile it with profit as per financial book
151. Notional charges in Cost Accounts like Rent on own buildings
- (A) Increase Costing Profit (B) Increase financial Accounts Profit
 (C) Decrease costing profit (D) Decrease financial accounts profit
152. The balance in the work-in-progress ledger control account should tally with total of individual balances in
- (A) Job ledger (B) Finished goods ledger
 (C) Stores ledger (D) Individual Job account
153. Integrated accounting system is beneficial because
- (A) Perpetual inventory system can be dispensed with
 (B) No valuation of work in progress is necessary
 (C) Estimation of budget is easy
 (D) It eliminates the problem of reconciliation
154. Cost of sales is Rs. 20,000, profit is 20% of cost. What is the selling price?
- (A) Rs. 25,000 (B) Rs. 24,000
 (C) Rs. 16,000 (D) Rs. 15,000
155. Calculate the amount of selling overhead from the following: Work cost Rs. 60,000, office overhead Rs. 5000 Selling overhead to works cost in previous year was at 26%
- (A) Rs. 51,600 (B) Rs. 15,600
 (C) Rs. 16,500 (D) Rs. 5,600
156. Transactions relating to purchase of materials and their return affects:
- (A) Store ledger control account (B) Only cost ledger
 (C) Only financial ledger (D) Both cost and financial ledger

157. Functional analysis of every time of expenditure at the inception itself, facilitates effective control over the cost of each function is called as

- (A) Mechanisation (B) Budgetary control
 (C) Control (D) Cost control

158. In lodging houses, costs are calculated in terms of

- (A) Cost per month (B) Room-day
(C) Customer day (D) Customer hour

159. Pankajam travels employs 5 buses which run over a route of 140 kms (one way), making one round trip per day. The buses run 360 days per year and 10% of them an average are laid out for repairs. Ascertain the total running kilometres per year.

- (A) 4,50,000 Kms (B) 5,45,000 Kms
 (C) 4,53,600 Kms (D) 3,45,600 Kms

160. When the contract is incomplete at the end of the accounting year, loss on incomplete contract is

- (A) Debited to contract a/c
 (B) Transferred to profit and loss a/c
(C) Transferred to work in progress a/c
(D) Transferred partly to profit and loss a/c and partly to work in progress a/c

161. An important features of a cost centre is that

- (A) It uses only monetary information
 (B) It has clearly defined boundaries
(C) It must be in area of the business through which products pass
(D) It must be in one specific location only

162. Find the amount of work certified

	Rs
Contract cost	5,60,000
Contract value	10,00,000
Cash received	5,40,000
Uncertified work	60,000

Deductions made from bills by way of security deposit 10%.

- (A) Rs. 5,60,000 (B) Rs. 5,40,000
 (C) Rs. 6,00,000 (D) Rs. 4,60,000

163. The cost information relating to a job in a factory is given below
 Materials : Rs. 40
 Wages at 40 paise/hr for 150 hr
 Overhead are recovered at 100% of prime cost. What would be the work cost?

- (A) Rs. 160/- ~~(B)~~ Rs. 200/-
 (C) Rs. 140/- (D) Rs. 190/-

164. Match the following :

- | | |
|-------------------------|--------------------|
| (a) Passenger transport | 1. Patient-bed-day |
| (b) Goods transport | 2. Kilowatt-hour |
| (c) Power generation | 3. Ton miles/km |
| (d) Hospitals | 4. Passenger km |

- | | (a) | (b) | (c) | (d) |
|------------------|-----|-----|-----|-----|
| (A) 3 | 4 | 2 | 1 | |
| (B) 4 | 3 | 2 | 1 | |
| (C) 4 | 2 | 3 | 1 | |
| (D) 3 | 4 | 1 | 2 | |

165. Point out which of the following statements is/are correct

- (I) A production order is an order received from a customer for a particular job.
 (II) In Job Costing, Cost of each job is separately ascertained
 (III) Job costing can be used only in small companies
 (IV) In toy manufacture, job costing should be used

- (A) (I) and (III) ~~(B)~~ (II) only
 (C) (II) and (III) (D) (IV) only

166. Operating costing is ascertained by preparing

- ~~(A)~~ a statement or cost sheet (B) profit and loss a/c
 (C) trial balance (D) balance sheet

167. Usually, a contract account of an incomplete contract findings are

- (A) Gross profit (B) Net profit
 (C) Operating profit ~~(D)~~ Notional profit

168. Under which costing, the fixed cost is ignored for decision making
 (A) Cost Accounting (B) Operating cost
 (C) Marginal cost (D) Batch cost
169. Under which costing, the total cost is taken into consideration
 (A) Contract Costing (B) Marginal Costing
 (C) Absorption Costing (D) Overhead Costing
170. What is the BEP. When P/V Ratio is 40% and Fixed cost is Rs. 5,00,000?
 (A) Rs. 12,00,000 (B) Rs. 12,50,000
 (C) Rs. 12,29,000 (D) Rs. 12,45,000
171. P/V ratio 40% variable cost Rs. 30 selling price is
 (A) 50 (B) 40
 (C) 30 (D) 55
172. Calculate Break-even point from the following:
 Sales 1000 units at Rs. 10 each Rs. 10,000.
 Variable cost – Rs. 6 per unit
 Fixed cost – Rs. 8,000
 (A) 2000 units (B) 800 units
 (C) 1000 units (D) 1200 units
173. What is the turnover required for a profit target of Rs. 60,000/- when Fixed Cost : Rs. 80,000;
 Variable Cost: Rs. 2/unit Selling price: Rs. 10/unit
 (A) Rs. 1,75,000 (B) Rs. 1,17,400
 (C) Rs. 1,57,000 (D) Rs. 1,86,667
174. Compute the margin of safety
 Profit Rs. 2,25,000
 P/V ratio : 40%
 (A) Rs. 56,250 (B) Rs. 62,500
 (C) Rs. 5,62,500 (D) Rs. 6,250

175. Marginal costing is difficult to apply in which of the following industries where the value of work in progress is high

- (A) Printing press
 (B) Shipbuilding industry
 (C) Repair shops
 (D) Transport undertaking

176. In Marginal costing cost is classified on the basis of

- (A) Production process
 (B) Functions/Activities
 (C) Behaviour
 (D) Time period

177. A company manufactures and sells 4 products sales demand cannot be met owing to a shortage of skilled labour.

	A	B	C	D
Sales (units)	1500	2000	1800	1900
Contribution/ Unit	Rs. 2.80	Rs. 2.60	Rs. 1.90	Rs. 2.40
Contribution/ Sales %	30%	40%	50%	45%
Lab. hours/ Unit	1.4	1.2	0.9	1.0

In what order should the products be made to maximum profit?

- (A) Product A, B, D, C
 (B) Product B, D, C, A
 (C) Product D, B, C, A
 (D) Product C, D, B, A

178. Absorption costing is the practice of charging

- (A) Fixed cost
 (B) Variable cost
 (C) All cost
 (D) Historical cost

179. A key factor is

- (A) Budget factor
 (B) Time factor
 (C) Limiting factor
 (D) Cost factor

180. Margin of safety is

- (A) Difference between Actual sales and break even sales.
 (B) Sales at which there is no profit.
 (C) Sales at which there is a profit.
 (D) Sales at which there is no profit no loss

181. Which is the correct formulae for calculating material price variance

- (A) Standard price \times (Std. Qty. - Revised Std. Qty.)
- (B) Actual Qty. used \times (Std. price - Actual price)
- (C) Actual Qty. used \times (Actual price - Std. price)
- (D) Actual Qty. used \times (Std. price \times Std. Qty.)

182. Which of the following is correctly matched?

- | Types of variances | Causes of variances |
|--|----------------------------------|
| <input checked="" type="checkbox"/> (A) Material price variances | - Loss of discount |
| (B) Material usage variances | - Increase in Labour turnover |
| (C) Direct wage rate variances | - Careless handling of materials |
| (D) Direct labour efficiency variances | - Emergency purchases |

183. Which of the following statement relating to standard cost are incorrect.

- I. Standard cost are determined on scientific basis
 - II. Standard cost are used as a regular system
 - III. Standard cost are fixed for each element of cost
 - IV. Standard cost makes assessment of what a cost will be
- (A) (I) and (II)
 - (B) (II) and (III)
 - (C) (IV) only
 - (D) (I) only

184. Match List I with List II. Choose the correct answer from the codes given below.

- | List I | | | | List II | | | |
|---|----------------------------------|-----|-----|---------|---|--|--|
| (a) | Labour efficiency variance | | | 1. | (std. Hrs-Revised std. Hrs) \times std. rate | | |
| (b) | Labour rate variance | | | 2. | (std. Hrs- Actual.Hrs) \times std. Rate | | |
| (c) | Labour mix variance | | | 3. | (std. rate - Actual rate) \times paid Hrs | | |
| (d) | Labour sub - efficiency variance | | | 4. | (Revised std Hrs - Actual Hrs) \times std. rate | | |
| (a) | (b) | (c) | (d) | | | | |
| (A) | 4 | 1 | 2 | 3 | | | |
| <input checked="" type="checkbox"/> (B) | 2 | 3 | 4 | 1 | | | |
| (C) | 1 | 3 | 2 | 4 | | | |
| (D) | 3 | 2 | 1 | 4 | | | |

185. In material price variance the person responsible for inefficient buying is
- (A) Purchase officer (B) Production Manager
(C) Store keeper (D) Maintenance Manager
186. Which of the following is in correct reasons for material usage variance?
- (A) Faulty equipment and tools (B) Irregular power supply
(C) Poor material handling facilities (D) Faulty standard
187. _____ standards provide no scrap, no idle time, no rest period and no break-down.
- (A) Ideal (B) Attainable
(C) Basic (D) Normal
188. Idle time variance is calculated by using formula
- (A) Abnormal Idle time \times Expected Rate
(B) Abnormal Idle time \times Budgeted Rate
 (C) Abnormal Idle time \times Standard Rate
(D) Abnormal Idle time \times Actual Rate
189. The resolution into constituent parts and explanation of variances is called as:
- (A) Variance Analysis (B) Variable cost
(C) Standard cost (D) Cost control
190. In case of sales variances, when the actual sales are more than the standard or budgeted sales it is termed as :
- (A) Adverse (B) Favourable
(C) Controllable (D) Uncontrollable

191. The responsibility centre that do not have revenue responsibilities is

- (A) Revenue centre
- (B) Cost centre
- (C) Profit centre
- (D) Investment centre

192. The main function of the Budget committee is

- (A) To define the goal of the enterprise
- (B) To fix the responsibility to various individuals
- (C) To Co-ordinate the budget programme
- (D) To determining the budget period

193. Performance budget is

- (A) Laying down of objectives
- (B) Measurement of output in relation to input
- (C) Flexible Budgeting
- (D) Fixed budgeting

194. Match the following :

The general list of key factors in different industries:

Industry	Key factors
(a) Motor car	1. Power
(b) Aluminium	2. Supply of crude oil
(c) Petroleum Refinery	3. Sales demand
(d) Electro optics	4. Skilled technicians

	(a)	(b)	(c)	(d)
(A)	3	2	1	4
(B)	3	1	4	2
<input checked="" type="checkbox"/> (C)	3	1	2	4
(D)	4	3	2	1

195. What type of budget is designed to take into account forecast changes in costs, prices etc?
- (A) Rolling budget (B) Functional budget
(C) Flexible budget (D) Master budget
196. Find out the semi variable cost for 40,000 units:
Semi variable cost for 30,000 units : Rs. 15,000
Which is 40% fixed and 60% variable.
- (A) Rs. 20,000 (8,000 + 12,000) (B) Rs. 18,000 (6,000 + 12,000)
(C) Rs. 10,000 (4,000 + 6,000) (D) Rs. 15,000 (9,000 + 6,000)
197. Variable overheads for production of 10000 units are Rs. 60,000. What will be the variable overheads for production of 15,000 units.
- (A) Rs. 1,20,000 (B) Rs. 65,000
(C) Rs. 90,000 (D) Rs. 80,000
198. Opening stock 80 units. Sales 660 units.
If the closing inventory has to be 50% higher than the previous month, then the production will have to be:
- (A) 540 units (B) 700 units
(C) 600 units (D) 720 units
199. A job requires 2400 actual labour hours for completion and it is anticipated that there will be 20% idle time. If the wage rate is Rs. 10 per hour, what is the budgeted labour cost for the job?
- (A) Rs. 19,200 (B) Rs. 24,000
(C) Rs. 28,800 (D) Rs. 30,000
200. The difference between fixed cost and variable cost has significance in preparation of
- (A) Flexible budget (B) Master budget
(C) Cash budget (D) Capital expenditure budget

SPACE FOR ROUGH WORK

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