



# BRAINWARE UNIVERSITY

Term End Examination 2021 - 22

Programme – Bachelor of Commerce (Honours) in Banking & Finance

Course Name – Cost Accounting

Course Code - BCMC201

( Semester II )

Time allotted : 1 Hrs.15 Min.

Full Marks : 60

[The figure in the margin indicates full marks.]

## Group-A

(Multiple Choice Type Question)

1 x 60=60

*Choose the correct alternative from the following :*

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

a) Costing	b) Cost Accounting
c) Cost Accountancy	d) Cost
- (2) Which among the following costs are not useful for managerial decision making?
 

a) Sunk Cost	b) Marginal Cost
c) Standard Cost	d) None of the above
- (3) The main function of cost accounting is \_\_\_\_\_ reporting
 

a) Internal	b) External
c) Government	d) Bank
- (4) The information provided by financial statements is \_\_\_\_\_ in nature
 

a) Standard	b) Historical
c) Marginal	d) Uniform
- (5) The principle of matching costs with revenues is known as \_\_\_\_\_ principle
 

a) Cost	b) Matching
c) Consistency	d) Revenue
- (6) The installation of a \_\_\_\_\_ system will create confidence in the minds of public about the fairness of the prices charged
 

a) Costing	b) Financial accounting
c) Management accounting	d) Information
- (7) The exact cause of increase or decrease in profit or loss is disclosed by

Gen. Secy  
University  
Kuvempu  
D. S. Srinivasulu  
13/11/2019

- a) Management accounting system  
b) Financial accounting system  
c) Cost accounting system  
d) Management information system
- (8) Data required for the fixation of selling price is provided by  
a) Management accounting system  
b) Financial counting system  
c) Cost accounting system  
d) All of these
- (9) Cost accounting has developed due to the \_\_\_\_\_ of financial accounting  
a) Advantages  
b) Limitations  
c) Merits  
d) Expansion
- (10) Cost accountancy is considered an art because it \_\_\_\_\_  
a) Has systematic body of knowledge  
b) requires necessary ability and skills  
c) involves continuous efforts of cost accountant  
d) None of the above
- (11) "The amount of expenditure (actual or notional) incurred or attributable to a given thing" is  
a) Expense  
b) Revenue expenditure  
c) Cost  
d) Value
- (12) Cost accountancy is considered a science because \_\_\_\_\_  
a) It has a systematic body of knowledge  
b) It requires necessary ability and skills  
c) Involves continuous efforts of a cost accountant  
d) None of the above
- (13) is a "measurement in monetary terms of the amount of resources used for some purpose".  
a) Cost  
b) Revenue expenditure  
c) Expense  
d) Value
- (14) Expired cost is recorded in \_\_\_\_\_  
a) Balance Sheet  
b) Profit & Loss A/c  
c) Cash flow statement  
d) None of the above
- (15) \_\_\_\_\_ is a location, person or item of equipment (or group of these) for which costs may be ascertained and used for the purpose of control.  
a) Cost centre  
b) Revenue centre  
c) Profit centre  
d) Responsibility centre
- (16) \_\_\_\_\_ cost centre consists of allocation or an item of equipment or a group of these.  
a) Operation  
b) Personal  
c) Production  
d) Impersonal
- (17) \_\_\_\_\_ cost centre consists of persons or machines carrying out similar operations.  
a) Operation  
b) Personal  
c) Production  
d) Impersonal
- (18) \_\_\_\_\_ consists of a process or a continuous sequence of operations.  
a) Service cost centre  
b) Operation cost centre  
c) Process cost centre  
d) Production cost centre
- (19) Centres like maintenance department and power supply department which provide services to other departments of an organisation is called \_\_\_\_\_  
a) Operation cost centre  
b) Impersonal cost centre  
c) Process cost centre  
d) Service cost centre

- (20) Which is not true about a profit centre?
- a) Segment responsible for both revenue and cost
  - b) Created to delegate responsibility and measure their performance
  - c) Each profit centre has a profit target
  - d) It is not autonomous
- (21) Segment or unit of an organisation having accountability to a higher authority for performance of function assigned and costs incurred is \_\_\_\_\_
- a) Responsibility centre
  - b) Revenue centre
  - c) Profit centre
  - d) Cost centre
- (22) A responsibility centre where performance is judged on the basis of costs incurred is called
- a) Expense Centre
  - b) Profit centre
  - c) Investment centre
  - d) None of the above
- (23) According to CIMA, England, "a unit of product, service or time in relation to which cost may be ascertained or expressed" is called
- a) Cost centre
  - b) Cost
  - c) Cost unit
  - d) None of the above
- (24) Costs which do not involve any cash outlay is called \_\_\_\_\_
- a) Out of stock cost
  - b) Conversion cost
  - c) Imputed cost
  - d) Discretionary cost
- (25) "The value of a benefit sacrificed in favour of an alternative course of action" is
- a) Sunk cost
  - b) Opportunity cost
  - c) Imputed cost
  - d) Notional cost
- (26) If an owned building is used for a business project, the likely rent of the building receivable if let out is an example of \_\_\_\_\_
- a) Sunk cost
  - b) Opportunity cost
  - c) Imputed cost
  - d) Notional cost
- (27) \_\_\_\_\_ system of costing is suitable for toy making.
- a) Batch costing
  - b) Job costing
  - c) Operating costing
  - d) Process costing
- (28) An example of personal cost centre
- a) Machinery
  - b) Store yard
  - c) Maintenance department
  - d) Foreman
- (29) Conversion cost excludes
- a) Direct material
  - b) Direct labour cost
  - c) Direct expenses
  - d) All of the above
- (30) Variable costs increase in total due to
- a) Increase in sales
  - b) Increase in volume of production
  - c) Increase in profit
  - d) All of the above
- (31) Common cost of facilities or services employed in the output of two or more simultaneously produced or otherwise closely related operations, commodities or services.
- a) Uniform cost
  - b) Common cost
  - c) Joint cost
  - d) Product cost



- (32) Costs which are collectively incurred for a number of cost centres and are required to be suitably apportioned for determining for determining cost of individual cost centres is
- a) Uniform cost  
b) Common cost  
c) Joint cost  
d) Product cost
- (33) Mention the item of expense which is excluded from cost accounts
- a) Raw materials  
b) Office supplies  
c) Salaries  
d) Income Tax
- (34) In cement industry, the method of costing adopted is
- a) Process costing  
b) Job costing  
c) Contract costing  
d) Operating costing
- (35) A Bill of Material serves the purpose of \_\_\_\_\_
- a) Purchase order  
b) Material requisition  
c) Purchase requisition  
d) Goods received note
- (36) Primary packing materials are examples of \_\_\_\_\_
- a) Direct materials  
b) Indirect materials  
c) Selling OH  
d) Factory OH
- (37) Purchase requisition for regular stock materials is prepared by \_\_\_\_\_
- a) Costing department  
b) Production department  
c) Storekeeper  
d) Purchase department
- (38) The purpose of inventory control is to \_\_\_\_\_
- a) control flow of raw materials  
b) maintain optimum level of inventory  
c) control material price  
d) None of these
- (39) Under decentralized purchasing, which department is responsible for making purchases?
- a) Purchase department  
b) Department requiring materials  
c) Stores department  
d) None of these
- (40) Continuous stock taking is a part of \_\_\_\_\_
- a) Annual stock taking  
b) Perpetual inventory  
c) ABC analysis  
d) VED analysis
- (41) Bin card is maintained by \_\_\_\_\_
- a) Accounts department  
b) Costing department  
c) Stores department  
d) Purchase department
- (42) Economic order quantity is a tool for controlling \_\_\_\_\_
- a) Inventory  
b) Price  
c) Machinery  
d) Cost
- (43) \_\_\_\_\_ technique is a selective control of materials
- a) ABC  
b) Inventory turnover ratio  
c) Input output ratio  
d) EOQ
- (44) Fragments of materials that are left from certain type of manufacture are called
- a) Scrap  
b) Waste  
c) Defectives  
d) Spoilage



- a) Costing P&L a/c
- c) Factory OH

- b) Cost of production
- d) None of the above

(58) Labour turnover is measured by

- a) Replacement method
- c) Flux method

- b) Separation method
- d) All of the above

(59) Time wage system

- a) Benefits the less efficient workers
- c) Satisfies trade unions

- b) Increase cost of production
- d) Pays bonus

(60) Wage sheet is prepared by

- a) Payroll department
- c) Time keeping department

- b) Personnel department
- d) Costing department

Library  
Bharatiya University  
Barrow, Kolkata - 700125