

BRAINWARE UNIVERSITY

Term End Examination 2021 - 22 Programme – Bachelor of Commerce (Honours) in Banking & Finance Course Name – Cost Accounting Course Code - BCMC201 (Semester II)

Гime allotted : 1 Hrs.15 Min.	Fu	ll 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 te called	echnique and process of ascertaining cost" is		
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 was about the fairness of the prices charge	vill create confidence in the minds of public ed		
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

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	e 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 becau	se 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 notion thing" is	nal) incurred or attributable to a given
a) Expense	b) Revenue expenditure
c) Cost	d) Value
(12) Cost accountancy is considered a science be	cause
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 purpose".	amount of resources used for some
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
is a location, person or item of equipmay be ascertained and used for the purpose	, - -
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 n	nachines carrying out similar operations.
a) Operation	b) Personal
c) Production	d) Impersonal
(18) consists of a process or a continuo	ous 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 poservices to other departments of an organisa	
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 acceptation performance of function assigned and costs in	· · · · · · · · · · · · · · · · · · ·
a) Responsibility centre	b) Revenue centre
c) Profit centre	d) Cost centre
(22) A responsibility centre where performance is called	judged on the basis of costs incurred is
a) Expense Centre	b) Profit centre
c) Investment centre	d) None of the above
(23) According to CIMA, England, "a unit of prod 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 prreceivable if let out is an example of	oject, the likely rent of the building
a) Sunk cost	b) Opportunity cost
c) Imputed cost	d) Notional cost
(27) system of costing is suitable for toy m	naking.
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 simultaneously produced or otherwise closely services.	
a) Uniform cost	b) Common cost
c) Joint cost	d) Product cost

be suitably apportioned for determining for detecentres is	ermining cost of individual cost	
a) Uniform cost	b) Common cost	
c) Joint cost	d) Product cost	
(33) Mention the item of expense which is excluded	*	
a) Raw materials	b) Office supplies	
c) Salaries	d) Income Tax	
(34) In cement industry, the method of costing adopt	,	
a) Process costing	b) Job costing	
c) Contract costing	d) Operating costing	
(35) A Bill of Material serves the purpose of	, 1 8 8	
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 departm purchases?	ent is responsible for making	
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	g	
a) Inventory	b) Price	
c) Machinery	d) Cost	
(43) technique is a selective control of mate	erials	
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	

(32) Costs which are collectively incurred for a number of cost centres and are required to

(45) Calculate EOQ from the details: Annual usage order – Rs. 60, Annual carrying cost – 10% of it	<u>.</u>		
a) 6000	b) 10000		
c) 12000	d) None of these		
(46) Level at which normal issue of materials are stopped and materials are issued only for important jobs is known			
a) Minimum level	b) Re-order level		
c) Maximum level	d) Danger level		
(47) State the formulae for calculation for minimum level.			
a) Re-order level + Re-order quantity	b) Re-order level – (Normal consumption x Normal re-order period)		
c) Normal consumption x Maximum re-order period	d) Re-order level – (Normal consumption + Normal Re-order period)		
(48) Maximum usage – 130 units/ day & Re-order poorder level.	eriod – 25 to 30 days. Calculate re-		
a) 3900 units	b) 1150 units		
c) 7400 units	d) None of these		
(49) Calculate maximum stock level from the details: EOQ – 300 units, Usage rate - 25 to 75 units/ week & Re-order period – 4 to 6 weeks.			
a) 650 units	b) 450 units		
c) 1100 units	d) None of these		
(50) According to ABC analysis, materials grouped a	as A constitutes		
a) 5 -10 % qty & 60-70 % value	b) 15-20% qty & 15-25% value		
c) 65-70 % qty & 5 – 10 % value	d) None of these		
(51) Inventory system in which stock taking is made	at the end of the accounting year is		
a) Perpetual inventory system	b) Periodic inventory system		
c) JIT	d) Continuous stock Taking		
(52) Materials issued are priced at the latest price in	_		
a) FIFO	b) LIFO		
c) Standard price	d) Weighted average		
(53) The value of closing stock approximates to the	market value under		
a) FIFO	b) LIFO		
c) NIFO	d) HIFO		
(54) Fringe benefits are			
a) Related to labour productivity	b) indirect forms of employee compensation		
c) contract labour costs	d) monetary benefits		
(55) Which of the following is a direct worker?			
a) Foreman	b) Sweeper		
c) Machine operator	d) Watchman		
(56) Which among the following is an example of normal idle time?			
a) Time lost due to shortage of materials	b) Time lost due to power failure		
c) Time lost due to waiting for instructions	d) Time taken for machine set up		
(57) Cost of abnormal idle time is transferred to			

- a) Costing P&L a/c
- c) Factory OH
- (58) Labour turnover is measured by
 - a) Replacement method
 - c) Flux method
- (59) Time wage system
 - a) Benefits the less efficient workers
 - c) Satisfies trade unions
- (60) Wage sheet is prepared by
 - a) Payroll department
 - c) Time keeping department

- b) Cost of production
- d) None of the above
- b) Separation method
- d) All of the above
- b) Increase cost of production
- d) Pays bonus
- b) Personnel department
- d) Costing department