

Question	Answer1	Answer2	Answer3	Answer4	CorrectOption
The guidance and regulation by executive action of the costs of operating an undertaking is known as	Operating costing	Cost reduction	Cost control	Accounting	Answer3
Cost Accounting covers	The preparation of statistical data	The application of cost control methods	the profitability of activities carried out or	of cost control method, The ascertainment of the profitability of activities carried out or planned	Answer4
Which of the following statements is true?	The word "cost" has the same meaning in all situations in which	Different cost concepts and classifications are used for different	All organizations incur the same types of costs	Costs incurred in one year always useful in the following year(s)	Answer4
Which of the following would not be considered a fixed cost?	Rent	Depreciation	Cost of bottles used in the production of soft drinks	Property taxes	Answer3
Which of the following costs will vary directly with the level of production?	Total manufacturing costs	Total cost of sales	Variable selling costs	Variable product costs	Answer4
If the level of activity increases, Costs which are ascertained after they have been incurred are known as	Variable cost per unit and total costs increase	Fixed cost per unit and total variable cost increase	Total cost will increase and fixed cost per unit will decrease	Variable cost per unit and total cost increase	Answer3
Indirect costs are known as	Imputed costs	Sunk costs	Historical costs	Opportunity costs	Answer3
A functional classification of costs would classify "depreciation of office equipment" as a	Variable costs will total Rs. 1,20,000	Fixed costs	Overheads	Accounting	Answer3
Direct material is a	Product cost	Administrative expense	Selling expense	Variable cost	Answer2
A particular cost is classified as being semi-variable. What is the effect on the TOTAL COST if activity increases by 20%?	Manufacturing cost	Administration cost	Selling and distribution cost	Any of the above	Answer1
You are given the cost and volume information below : Volume Cost, 1 unit Rs. 15, 10 units Rs. 150, 100 units Rs. 1,500, What type of a cost is given?	Stays the same	Decreases by less than 20%	Increases by 20%	Increases by less than 20%	Answer4
Which of the following statements regarding graphs of fixed and variable costs is true?	Fixed cost	Variable cost	Step cost	Mixed cost	Answer2
Which of the following is an accounting record?	Variable costs can be represented by a straight line where costs are the same for each data point	Fixed costs can be represented by a straight line starting at the origin and continuing through each data point	Fixed costs are zero when production is equal to zero	Variable costs are zero when production is equal to zero	Answer2
The storekeeper should initiate a purchase requisition when stock reaches	Bill of Materials	Bin card	Stores ledger	Purchase Requisition Note	Answer3
The storekeeper should initiate a _____ when stock reaches Reorder level	Minimum level	Maximum level	Re-order level	Average level	Answer3
	Attendance sheet records	Purchase Requisition	Bin Card	Bill of Materials	Answer2

A written request to a supplier for specified goods at an agreed upon price is called a: Purchase order Receiving report Purchase requisition Materials requisition form **Answer1**

The initial sanction of the total quantity in materials)of job or contract is made through a document known as _____ Bill of lading Bin card Purchase requisition Bill of materials **Answer4**

A purchase requisition is raised to intimate to the supplier the quantity and quality of new material required when the stock of raw material has fallen to the reorder level when goods are received from a supplier to let the accounts department know that an invoice should be expected from a supplier **Answer2**

Which of the following methods of stock control aims at concentrating efforts on selected items of materials? Perpetual inventory system Materials turnover Maximum, Minimum and re-order level setting ABC analysis **Answer4**

In ABC analysis, _____ category of items are about 10% of items having 70% of value. A B C None of the above **Answer1**

Following are the details of Product X . Minimum consumption 100 units per day ; Maximum consumption 150 units per day ; Normal consumption 120 units per day ; Re-order period 10 to 15 days ; Re-order Quantity 1500 units ; Normal Re-order period 12 days . Calculate Reordering level 2000 2200 2250 2275 **Answer3**

The Maximum stock level of component Q is 9200 units . The minimum stock level is 2000 units . Find out the average stock level in units 3400 3150 2500 5600 **Answer2**

The Maximum stock level of component Q is 5300 units . The minimum stock level is 2300 units . Find out the average stock level in units 3400 3150 2500 3800 **Answer4**

weighted average cost method can be used under only the periodic system of inventory both the system of inventory-periodic and perpetual only the perpetual systems of inventory Neither the periodic nor the perpetual system of inventory **Answer2**

an inventory costing method that assumes that those items which have been first in inventory are sold first. last in first out specific identification average first in first out **Answer4**

if the inventory at the end of the year is overstated by ₹ 7,500, the error will cause _____ of goods sold for the year by ₹ 7,500 understatement of net income for the year by ₹ 7,500 understatement of net income for the year by ₹ 7,500 **Answer3**

_____ refers to the time for which wages are paid without any production. Overtime Idle Time Under time Excess Time **Answer2**

_____ is a statutory requirement under Labour laws. Human Resources Time Booking Time Keeping Engineering **Answer3**

_____ card shows the aggregate labour cost of the job or the product. Clock Time & Job Labour Cost Attendance Records **Answer3**

_____ is mechanized method of time recording. Clock Cards Disc Method Pay roll Human Resources **Answer1**

_____Department to summarise overtime payments and incentive payments wherever applicable.	Pay roll	Time Keeping	Time Booking	Engineering	Answer1
According to Taylor's Differential plan, the worker is paid according to his _____.	Degree of Efficiency	Degree of Understanding	Degree of Flexibility	Degree of Loyalty	Answer1
Under Haley Premium Plan, Total Earnings = Time wages + [____ of Time Saved x Time Rate]	33.33%	75%	66.66%	50%	Answer4
When standard output is 10 units per hour & actual output is 12 units per hour, the efficiency is	80%	100%	120%	12%	Answer3
Which of the following is a personal cause of Labour Turnover?	Change in Plant location	Lack of recreational and medical facilities	Change in job for betterment	Low wages and allowances	Answer3
Which of the following is an avoidable cause of Labour Turnover?	Seasonal Nature of Business	Change in the plant location	Disability making a worker unfit for work	Dissatisfaction with job	Answer4
Mr. Ram produced 64 units in a 40 hour week. The guaranteed time rate is Rs.5 per hour and piece rate is Rs.2 per unit. Calculate his earnings under Straight Piece Rate System.	Rs. 128	Rs. 80	Rs. 200	Rs. 320	Answer1
Mr. Anil produces 150 units in 8 hours. He is paid at the rate of Rs.7 per hour. He is also paid a Dearness Allowance of Rs.15 for 8 hours work. His total earnings under Time wage rate are Rs._____.	Rs.1215	Rs.71	Rs. 176	Rs. 3300	Answer2
Rate per hour = Rs. 1.5 ; Time allowed for the job = 16 hours ; Time taken = 12 hours ; Calculate the total earnings of the worker under Halsey Premium Plan.	Rs. 24.00	Rs. 26.00	Rs. 19.00	Rs. 21.00	Answer4
Which of the following is not a method of cost absorption?	Percentage of direct material cost	Machine hour rate	Labour hour rate	Repeated distribution method	Answer4
Service departments costs should be allocated to:	Only Service departments	Only Production departments	Both Production and service departments	Administration department	Answer3
Most suitable basis for apportioning insurance of machine would be:	Floor Area	Value of Machines	No. of Workers	No. of Machines	Answer2
Which of the following is NOT a selling overhead?	Insurance to cover sold goods while in transit	Royalty on sales	Legal cost on debt realization.	Distribution of samples	Answer3
When the actual overhead is more than absorbed overhead it is known as _____.	over absorption	under absorption	equal absorption	major absorption	Answer2
Depreciation of plant can be apportioned on the basis of _____.	plant value.	plant size	working days	output produced	Answer1

Number of worker employed is used as basis for the apportionment of ____.

rent

canteen expenses

PF contribution

rate and tax

Answer2

The process of grouping of costs according to some common characteristics ____.

absorption

primary distribution

secondary distribution

classification

Answer4

Repeated distribution method is a method of _____method

Direct re-distribution method

Step distribution method

Reciprocal Distribution method

Non- Reciprocal Distribution Method

Answer3

The _____ rate is computed by dividing the overheads by the aggregate of the productive hours of direct workers.

Machine Hour Rate

Direct Material cost percentage rate

direct labour hour

Prime cost percentage rate

Answer3

Under or over absorption of overheads arises only when overheads are absorbed by _____.

Normal rate

Machine Hour Rate

Direct Material cost percentage rate

predetermined overheads rates

Answer4