

# COST ACCOUNTING

## 2<sup>ND</sup> BBA

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1. The main object of cost accounting is
  - (a) To record day transactions of the business
  - (b) To reveal managerial efficiency
  - (c) To ascertain true cost of products and services
2. Cost accounting emerged mainly on account of
  - (a) Statutory requirements
  - (b) Competition in the market
  - (c) Limitations of financial accounting.
3. Advantages of cost accounting system accrue
  - (a) Only to workers.
  - (b) Only to management.
  - (c) To consumers, workers, government , and management.
4. Margins costing is concerned with
  - (a) Fixed cost
  - (b) Variable cost
  - (c) Semi-fixed cost
5. A biscuit manufacturing concern employs.
  - (a) Departing costing
  - (b) Batch costing
  - (c) Departmental costing
6. Aggregate of direct cost is known as.
  - (a) Direct material cost
  - (b) direct wages
  - (c) prime cost.
7. Aggregate of prime cost and factory over head is known as
  - (a) works on cost
  - (b) works cost
  - (c) cost of production
8. Salary paid to factory manager is an item of
  - (a) prime cost
  - (b) factory overhead
  - (c) Selling overhead
9. Cost incurred to convert raw material into finished go
  - (a) Direct cost
  - (b) conversion cost
  - (c) Indirect cost.
10. Sunk cost are
  - (a) Fixed in nature
  - (b) Not relevant to present decisions
  - (c) Variable in nature
11. All cost other than Direct expenses are known as
  - (a) Indirect material cost
  - (b) Indirect labor cost
  - (c) Overhead
  - (d) Indirect expenses.
12. The most important element of cost is
  - (a) Material
  - (b) Labor
  - (c) Over heads
13. According to which of the following methods of pricing issues are close to current economic values.
  - (a) LIFO
  - (b) FIFO
  - (c) HIFO
14. When materials prices fluctuate widely, the method of pricing that gives absurd result is
  - (a) Simple average
  - (b) Weighted average
  - (c) FIFO
15. Directors remuneration is treated as
  - (a) Factory overhead
  - (b) Administration overhead
  - (c) Selling overhead
16. Packing cost of an item of
  - (a) Production overhead
  - (b) office overhead
  - (c) selling overhead
17. Bad debt are treated as part of

- (a) selling overhead                      (b) Factory overhead   (c) office overhead
18. Variable overhead vary  
 (a) In aggregate              (b) per unit      (c) per unit and aggregate.
19. Standard costing is .  
 (a) Techniques              (b) method      (c) process.
20. the difference between standard & actual cost is called,  
 (a) Deviation              (b) Difference in cost              (c) Variance.
21. Historical costing is also called  
 (a) Total costing              (b) Actual costing              (c) National costing.
22. Standard cost of material(-) Actual cost of material used=  
 (a) Material price variance      (b) Material usage variance  
 (c) Material cost variance.
23. Attainable standard also called,  
 (a) Ideal standard              (b) Expected standard              (c) Basis standard
24. Portion of material usage variance due to the difference between the standard yield specified & actual yield obtained  
 (a) M.M.V              (b) M.P.V              (c) M.Y.V
25. The variance measure the abnormal loss or saving of material  
 (a) M.M.V              (b) M.P.V              (c) M.Y.V
26. If the standard is revised due to shortage of a particular type of material ,The M.M.V is  
 (a) Standard unit cost(Revised standard quantity- Actual quantity)  
 (b) Actual unit cost(Actual quantity- standard quantity)  
 (c) Revised unit cost( Revised quantity-Revised actual quantity)
27. Which of the following is considered to be a normal loss of material  
 (a) Loss due to accident              (b) Loss due to breaking the bulk material  
 (c) Loss due to careless handling of material.
28. The storekeeper should initiate a purchase requisites when stock reaches  
 (a) Minimum level              (b) Maximum level              (c) Reorder level
29. In which of the following incentive plans of wage payment, wages on time basis are not guaranteed.  
 (a) Halsey plan              (b) Rowan plan              (c) Taylor's differential piece rate system .
30. Which of the following methods of wage payment is most suitable where quality and accuracy of work is of primary importance  
 (a) Piece rate system              (b) Time rate system              (c) Halsey plan.
31. Wage sheet is prepared by  
 (a) Time keeping dept.              (b) personal dept.              (c) payroll dept.
32. The allotment of whole items of cost to cost centre or cost unit is called  
 (a) Cost allocation              (b) cost apportionment              (c) Cost absorption
33. Stores ledger is maintained by the  
 (a) Store keeper              (b) Cost clerk              (c) Production manager
34. Goods received note is prepared by  
 (a) Goods receiving clerk              (b) Purchase manager              (c) Store keeper
35. ----- is a discount allowed to the bulk purchase  
 (a) Trade discount              (b) cash discount.
36. 'Buffer stock' of material means

- (a) Maximum stock of material (b) Minimum stock of material  
(c) Average stock material.
- 37. Differential piece work system provide for higher rewards to worker  
(a) Efficient (b) Average (c) Below average
- 38. Cost of normal idle time is charged to  
(a) Prime cost (b) factory overhead (c) office overhead.
- 39. Which department is concerned with proper selection and training of workers  
(a) production dept. (b) personal dept (c) Purchase department.
- 40. A written request to a supplier for specified good at an agreed rate  
(a) Purchase order (b) Purchase requisition (c) Receiving report
- 41. A purchase requisition is raised  
(a) To ultimate to the supplier the quantity and quality of new material required  
(b) When the stock of raw material has fallen to the re-order level.  
(c) When goods are received from a supplier.
- 42. Cost of normal Idle time is charged  
(a) Factory over head (b) office over head (c) selling over head
- 43. Which of the following is a production department  
(a) Store department (b) Receiving department (c) Refining department
- 44. The allotment of proportions of cost to cost centers or cost unit is known as  
(a) Allocation (b) Absorption (c) Apportionment.
- 45. Normal loss in a process is  
(a) Is unavoidable (b) Is avoidable (c) Arises due to defective machinery
- 46. The cost of normal wastage less scrap value, if any, borne by  
(a) Good units (b) Abnormal wastage (c) Abnormal effectives
- 47. The most suitable cost system where the products differ in type of material and work performed is  
(a) Job costing (b) Process costing (c) Operating costing
- 48. When the amount of overhead absorbed is less than the amount of over head incurred, it is known as  
(a) Under absorption (b) over absorption (c) proper absorption.
- 49. Purchase order is prepared by  
(a) Sales department (b) Purchase department (c) production department.
- 50. Costing is a technique of  
(a) Inventory control (b) Calculation of cost (c) Ascertainment of cost.
- 51. Bin card is maintained by  
(a) Purchase dept. (b) Store dept (c) Production dept.
- 52. ----- costing is used in transport costing  
(a) Operating (b) Standard (c) Marginal.
- 53. Abnormal loss is should be transferred to  
(a) Abnormal loss account (b) costing profit& loss account (c) cash account.
- 54. ----- is the second major element of cost.  
(a) Labor (b) Material (c) Overhead
- 55. Preventive cost and ----- all two types of cost of labor turn over.  
(a) Ordering cost (b) Replacement cost (c) Carrying cost.
- 56. ----- are prepared to know the reason of idle time.

- (a) Idle time card      (b) Time card      (c) Cost card.
57. Under time wage system, wages are paid according to the  
 (a) Time recorded      (b) Time worked      (c) Idle time.
58. ----- method of wage payment provides for high rate to efficient workers.  
 (a) Taylor's differential piece rate system.  
 (b) Gantt task piece rate system  
 (c) Time rate system
59. Depreciation is a ----- expense.  
 (a) Operating      (b) Fixed      (c) Semi-variable.
60. Cost do not change with the change in activity level.  
 (a) Overhead      (b) fixed      (c) variable.
61. Basis of apportionment of stores service expense is  
 (a) Value of material consumed  
 (b) number employees  
 (c) Number of hours worked.
62. Telephone expense is a ----- expense.  
 (a) Fixed      (b) Variable      (c) Semi-variable.
63. ----- costing is applicable in canteens.  
 (a) Service costing      (b) process costing      (c) Job costing.
64. Cost accounting is the science, art and ----- of cost accountant.  
 (a) profession      (b) Management      (c) Administration
65. FIFO method is suitable in times of  
 (a) Raising price      (b) Falling price      (c) Both A&B.
66. LIFO method is suitable in times of  
 (a) Raising price      (b) Falling price      (c) Both A&B
67. Profit planning is possible with ----- costing.  
 (a) Standard costing      (b) marginal costing      (c) Budget analysis.
68. Re-ordering level is = maximum consumption\*-----.  
 (a) Minimum consumption      (b) Maximum re-order period  
 (c) Minimum re-order period.
69. The quantity of material to be ordered at one time.  
 (a) EOQ      (b) EBQ      (c) BOQ.
70. Bin card is maintained for verifying-----.  
 (a) Quantity      (b) Value      (c) Quantity and Value.
71. Stores ledger is maintained for verifying-----.  
 (a) Quantity      (b) Value      (c) Quantity and Value
72. Normally overtime payment is made at  
 (a) Three times      (b) four times      (c) Double rate
73. Which of the following is not a differential piece rate system.  
 (a) Taylor's piece rate      (b) Gantt task plan      (c) Halsey plan.
74. Which of the following is not a premium bonus plan.  
 (a) Halsey plan.      (b) Rowan plan      (c) Merrick plan.
75. 'Fringe benefit' means  
 (a) Monetary benefit      (b) Non monetary benefit      (c) Direct wage.
76. The recording of the time of workers arrival at and departure from the factory is  
 (a) Time keeping      (b) Time booking      (c) overtime.

77. ----- is concerned with the discovering the source of manpower required and tapping there sources.  
 (a) Recruitment (b) Placement (c) Retrenchment.
78. Under piece rate system, payment of wages is made according to the  
 (a) Time spent (b) Volume of work done (c) Value of work done.
79. The unavoidable loss of material is known as  
 (a) Normal loss (b) Abnormal loss (c) waste
80. Loss due to fire, theft etc. are  
 (a) Normal loss (b) Abnormal loss (c) Scarp.
81. The cost of ----- is not included in the cost of production.  
 (a) Normal loss (b) Abnormal loss (c) Abnormal gain.
82. Sale-profit=-----.  
 (a) cost of production (b) cost of goods sold (c) Cost of sales.
83. ----- is the time which employer pays but no benefit is obtained.  
 (a) Time booked (b) Time kept (c) Idle time.
84. Under time wage system wage are paid according to ----- by workers.  
 (a) Time spent (b) work done (c) product produced.
85. Direct cost clearly be -----with a product.  
 (a) Identified (b) Apportioned (c) Allocated.
86. Prime cost can also be called  
 (a) Indirect cost (b) Direct cost (c) Fixed cost.
87. Element of cost refers to  
 (a) Component of cost (b) Components of cost (c) Prime cost.
88. Cost of material that can be identified is called -----cost.  
 (a) Direct (b) Indirect (c) Variable.
89. ----- is the aggregate of indirect material, indirect labor and indirect expenses.  
 (a) Prime cost (b) Factory cost (c) Overhead.
90. The value of benefit sacrificed in favor of an alternative course of action is known as  
 (a) Variable cost (b) Fixed cost (c) Opportunity cost.
91. ----- is a unit of quantity in terms of which cost is ascertained.  
 (a) Cost centre (b) cost unit (c) Profit centre.
92. Carrying cost are otherwise called  
 (a) Ordering cost (b) Holding cost (c) Out of stock cost.
93. Labor expended in converting raw material in to furnished product is called  
 (a) Direct labor (b) Indirect labor (c) Both A&B.
94. Carriage outward is an example of----- overhead.  
 (a) Production (b) Office (c) Distribution.
95.  $\sum OQ$  is calculated as  
 (a)  $\sqrt{2co} \div I$  (b)  $\sqrt{2pq} \div I$  (c)  $\sqrt{co} \div I$ .
96. ----- refers to fixed cost continue to be incurred when there is no production.  
 (a) Semi- fixed (b) Semi-variable (c) Committed.
97. ----- may be a location, a person or an item of equipment or group of there.  
 (a) Cost centre (b) Cost unit (c) Profit centre.

98. ----- is defined as “the guidance and regulation by executive action, of cost of operating an undertaking”.
- (a) Cost reduction (b) Cost control (c) Cost estimation
99. It is the cost incurred in the part and has no effect on future decision making.
- (a) Sunk cost (b) Historical cost (c) Imputed cost.
100. A ----- is a complete list of all materials, components required for a job.
- (a) Purchase requisitions (b) Bill of material (c) Purchase order.
101. When the actual overhead are less than the expenses absorbed, it is known as
- (a) Absorption (b) Under absorption (c) Over absorption.
102. ----- is a technique of cost ascertainment under which both fixed and variable cost are charged to product or
- (a) Marginal costing (b) Standard costing (c) Absorption costing.
103. The excess of actual sales over the break even sales is known as
- (a) Angle of incidence (b) Break-even point (c) Margin of safety.
104. ----- is a technique of formulating budget or it is an art of planning.
- (a) Budgeting (b) Budgetary control (c) Budget.
105. The cost which is incurred for the benefit of a number of cost centers.
- (a) Joint cost (b) Overhead (c) Direct cost.
106. Surprise physical checking is a feature of
- (a) Perpetual inventory system (b) ABC analysis (c) Impress system.
107. Which of the following is not a fringe benefit.
- (a) Subsidized food (b) Recreational facilities (c) Overtime wage.
108. Recording of the time spent by a worker on a different jobs is called.
- (a) Time keeping (b) Time booking (c) Job card keeping.
109. Find out the total earnings of a worker under Halsey premium plan for the following.
- Rate per hour Rs.15, Time allowed 40 hours and time taken 30 hours.
- (a) Rs.450 (b) Rs.525 (c) Rs.600.
110. ----- is the act of building budgets.
- (a) Budgeting (b) Estimating (c) Forecasting (d) ZBB.
111. ----- system ----- key managerial functions.
- (a) Integrates (b) Controls (c) Organize (d) plans.
112. ----- is a budget starts from zero.
- (a) ZBB (b) PPB (c) BBZ (d) BZB.
113. ----- is the budget incorporating all the component functional budget.
- (a) Sales budget (b) Production budget (c) Master budget
114. ----- is the most important budget.
- (a) Sales budget (b) Carp budget (c) Marten budget.
115. ----- forms the basis on which all other budget are built up
- (a) Marten budget (b) Sales budget (c) Carp budget.
116. Standard cost is a .
- (a) Pre-determined cost (b) Historical cost.  
(c) Process cost. (d) Current cost.
117. ----- costing is widely in engineering industries .
- (a) Marginal cost. (b) Standard cost. (c) Unit cost.

118. Three types of standards are current standard, basic standard and -----  
- standard.  
(a) Popular. (b) Absolute. (c) Normal. (d) Predetermined.
119. Deviation of actual cost or profit or sales from the standard cost or profit or sales is called -----.  
(a) Standard deviation. (b) Standard rate. (c) Mean deviation.
120. Idle time X ----- gives the idle time variance.  
(a) Normal rate. (b) Standard rate. (c) Abnormal rate.
121. Volume variance is divided into the capacity variance calendar variance and ----  
-----.  
(a) Casual variance. (b) Efficiency variance.  
(c) Normal variance. (d) Performance variance.
122. Standard cost of labor – Actual cost of labor = -----.  
(a) Total cost of labor variance. (b) Labor cost ratio. (c) Variance ratio.
123. In marginal costing selling price is based on  
(a) Contribution (b) Marginal cost  
(c) Marginal cost plus contribution (d) Market cost.
124. The difference between selling price and marginal cost.  
(a) Profit. (b) Contribution. (c) Marginal profit. (d) Loss
125. Fixed expenses + profit = -----.  
(a) Contribution (b) Variable cost (c) Marginal cost.
126. Selling price Rs.10 P.U, variable cost Rs.6 P.U sales is Rs.150000, profit RS.20000 what is the P/V ratio.  
(a) 25% (b) 90% (c) 35% (d) 30% (e) 40%.
127. Sales = 50000 variable cost 5000 what is P/V ratio.  
(a) 100% (b) 90% (c) 80% (d) 70%.
128. Contribution P.U = 10/- Total fixed cost Rs.5000, sales Rs.50000 B E P = ?  
(a) 50000 (b) 5000 (c) 500 (d) 1000.
129. Sales Rs.50000, P/V ratio 25%, fixed cost RS.10000 Profit = ?  
(a) RS.7500 (b) RS.4000 (c) RS.2500 (d) RS.1000.
130. Break-even sales = -----.  
(a) Total sales = Total profit.  
(b) Total sales = Total cost.  
(c) Total profit = Total cost.
131. Profit Rs.30000 selling price RS.10, Marginal cost Rs.8. Margin of safety = ----  
-----.  
(a) Rs.200000 (b) 150000 (c) 140000 (d) 120000.
132. Marginal costing helps in price fixation during -----.  
(a) Inflation (b) Depression (c) Equal.
133. Make or buy decision are made by comparing ----- cost with outside purchase price.  
(a) Fixed (b) Marginal (c) Variable.
133. Variable cost increases  
(a) As in the sales goes up.  
(b) As the production goes up.  
(c) As the fixed expenses goes up.

134. On the basis of -----, cost can be classified into fixed and variable.  
 (a) Behavior (b) Element (c) Function.
135. Machine hour rate is the cost of running a machine.  
 (a) Per hour (b) Per day (c) Per work.
136. Direct expenses are also called ----- expenses.  
 (a) Variable (b) Chargeable (c) Fixed.
137. Cost of production is also called  
 (a) Cost of sales (b) Office cost (c) Factory cost.
138. If cost of sales exceeds sales it will be  
 (a) Profit (b) Loss (c) Gain (d) Income.
139. ----- is the difference between sales and marginal cost of sales.  
 (a) Profit (b) Cost (c) Production (d) Contribution.
- Sales- variable cost=----- +Profit.  
 (a) Variable expenses (b) Sales (c) Fixed cost (d) Total cost.
140. Profit ÷P/V ratio =-----.  
 (a)Contribution (b) Margin (c) Fixed cost (d) Total cost.
141. Planning for future operation in such a way as to maximize the profits called.  
 (a) Cost planning (b) Profit planning  
 (c) Production planning (d) Performance planning.
142. Any factor which puts limit on production and profit of a business is called.  
 (a) Key factor (b)BEP (c)Angle of incidence
143. Graphic presentation of marginal costing is called  
 (a) Break even chart (b) B E P (c) P/V graph. (d) Both A & B.
144. ----- indicates the rate at which profits are being made  
 (a) Margin (b) Contribution (c) P/V ratio (d) Key factor.
145. Large angle of incidence with a high margin of safety indicates – Position of a business even in monopoly conditions.  
 (a) Favorable (b) More favorable (c) Most favorable (d) UN favorable.
146. ----- is the change in cost which may take place due to increase or decrease in output, sales volume etc.  
 (a) Marginal cost (b) Differential cost (c) Incremental cost.
147. ----- is a financial plan.  
 (a) Budget (b) Budgetary control (c) P/V ratio (d) BEP.
148. ----- facts establish relationship between cost, volume and profit.  
 (a) Marginal costing (b) Marginal costing (c) Absorption costing.
149. ----- helps the management in control.  
 (a)Unit costing (b) Marginal costing (c) Service costing.
150. ----- is the system most useful for making make or b decision.  
 (a)Unit costing  
 (b) Marginal costing  
 (c) Service costing.
151. Profit planning is possible with ----- costing.  
 (a)Marginal costing (b) Operation (c)Absorption.
152. The cost which are incurred for the benefit of a number of costs centers are called -----.



- (a) Joint cost                      (b) Overheads                      (c) Direct cost.
153. Minimum level + Consumption during the lead time is called -----.
- (a) Re-order level                      (b) EOQ                      (c) Maximum stock level.
154. If minimum stock level is 3000 units and re-orders quantity are 2000 units what is the average stock level.
- (a) 5000 units                      (b) 4000 units                      (c) 3000 units                      (d) 2000 units.
155. Which of the following is not correct for bin card .
- (a) Records quantity only.                      (b) Store keeper maintains it.  
(c) Kept inside the store.                      (d) Record value of issue.
156. Surprise physical checking is a feature of
- (a) ABC analysis                      (b) perpetual inventory system                      (c) VED analysis.
157. Which of the following is not a fringe benefit?
- (a) Subsidized food                      (b) Holiday pay  
(c) Overtime wage.                      (d) Recreational benefits.
158. Find out the total earnings of a work under Halsey plan  
Rate per hour Rs.15/- , time allowed for the job 40 hours and time taken is 30 hours.
- (a) RS.450                      (b) 600                      (c) 525                      (d) 550.
159. Variable overheads remain.
- (a) Fixed per unit  
(b) Variable per unit with volume  
(c) Fixed for any level of output.
160. Telephone charges are an example for
- (a) Variable cost                      (b) Fixed cost                      (c) Semi variable cost.
1601. Marginal cost analyze the effect of volume changes on profit by
- (a) Absorbing fixed cost  
(b) Separating fixed and variable cost.  
(c) Notional and real cost.
162. Contribution in marginal costing means
- (a) Sales – variable cost                      (b) Sales revenue.                      (c) Profit + variable cost.
163. The base of A B C Analysis of inventory control is
- (a) Usage                      (b) Value                      (c) Movement                      (d) Output.
164. In deciding the EOQ, the cost of inventory should be
- (a) Minimum                      (b) Optimum                      (c) Maximum                      (d) Moderate.
165. Standard cost is expressed in :-
- (a) Labor                      (b) Material                      (c) Money                      (d) None of these.
166. The break-even chart cannot be called as the cost volume profit graph.
- (a) True                      (b) False.
167. Widening of angle of incidence means.
- (a) Increasing of expenses                      (b) Decreasing of expenses  
(c) Increasing of profit                      (d) Decreasing of profit.
168. ----- may be location, a person or item of equipment or group of there.
- (a) Cost unit                      (b) Profit centre                      (c) Cost centre.

169. ----- is defined as “the guidance and regulation by executive action, of cost of operating an undertaking.  
 (a) Cost control      (b) Cost reduction      (c) cost audit.
170. It is the cost incurred in the past and has no effect on future.  
 (a) Sunk cost      (b) Historical cost      (c) Imputed cost.
171. ----- refers to those cost which can be early and clearly traced and identified with a job, product etc.  
 (a) Direct material      (b) Direct cost      (c) Direct labor.
172. A ----- is a complete list of all materials and components required for a job.  
 (a) Purchase requisition      (b) Purchase order      (c) Bill of materials.
173. In ----- bonus is in that proportion of time taken which the time saved bears to the standard time.  
 (a) Halsey plan      (b) Rowan plan      (c) Taylor plan.
174. The allotment of whole items of cost to the centre or cost units is called  
 (a) Appointment      (b) Allocation      (c) Absorption      (d) Re-appointment.
175. When the actual overheads incurred are more than the expenses absorbed , it is known as  
 (a) Absorption      (b) Over Absorption      (c) Under Absorption.
176. Statement prepared to show the different elements of cost.  
 (a) Time sheet      (b) Cost sheet      (c) Time and cost sheet.
177. Token or disc method used for  
 (a) Time booking      (b) Time recording      (c) Time keeping.
178. Work of foreman, store keeper, inspector, production control staff come under  
 (a) Direct labor      (b) Indirect labor      (c) Factory labor.
179. Marginal costing technique follows the following basis of classification of costs.  
 (a) Behavior –wise      (b) Element –Wise      (c) Function wise
180. P/V ratio will increase  
 (a) There is an increase in fixed cost.      (b) There is a decrease in fixed cost.  
 (c) There is a decrease in variable cost.      (d) There is a decrease in selling price P.U.
181. A budget is prepared for  
 (a) One year      (b) Five years      (c) One month.
182. Excess of actual cost over standard cost is treated as  
 (a) Favorable variance  
 (b) Unfavorable variance  
 (c) Abnormal effectiveness.
183. Difference between actual and standard cost is treated as  
 (a) Profit      (b) Loss      (c) Wastage      (d) Variance.
184. A budget is expressed in  
 (a) Financial terms only  
 (b) Quantitative terms only  
 (c) Both financial and quantitative  
 (d) Financial and or quantitative terms.

- 185..Master budget denotes the summary of  
 (a) Cash budget (b) Sales budget  
 (c) All functional budget (d) Sales and production budget.
186. Operating costing is applicable to  
 (a) Transport (b) Electricity (c) Hospitals (d) Cinemas (e) All of the above.
187. cost of service under operating costing is ascertained by preparing  
 (a) Cost sheet (b) Production account  
 (c) Process account (d) job cost sheet.
188. Absorption means  
 (a) Charging of overhead to cost centers  
 (b) Charging of overhead to cost units.  
 (c) Charging of overhead to cost units or cost centers.
189. Which of the following is a service department?  
 (a) Weaving department (b) Spinning department  
 (c) Finishing department (d) Purchase department.
190. Bad dept are treated as part of  
 (a) Selling overhead (b) Factory overhead (c) Office overhead.
191. A flexible budget takes into account  
 (a) Fixed cost only (b) Variable cost only  
 (c) Semi- variable cost only (d) Fixed, variable, semi-variable cost.
192. In ----- system, two piece rates are set for each job.  
 (a) Taylors differential piece rate system  
 (b) Merrick plan  
 (c) Rowan scheme.
193. Under Gantt tank plan, no bonus is payable to a worker if his efficiency is less than -----.  
 (a) Below 83% (b) Above 83% (c) Above 70% and below 80%.
194. Idle time arise only when workers are paid on ----- basis.  
 (a)Time rate (b)Price rate (c) Premium plan.
195. ----- is a discount allowed to the bulk purchases.  
 (a) Trade discount (b) Cash discount (c) Trade and cash discount.
196. Rent on own building is a .  
 (a) Sunk cost (b) Imputed cost (c) Opportunity cost.
197. From the following calculate the value of raw material consumed. Raw materials purchased Rs.95000 ,Opening stock of material Rs.15000 ,Material returned .2000,Closing stock of raw material..28000.  
 (a) 4,20,000 (b) 80000 (c) 1,70,000 (d) 1,20,000.
198. Standard cost is a -----.  
 (a) Process cost  
 (b) Historical cost  
 (c) Pre-determined cost(d) Current cost.
199. Overtime due to abnormal causes may be transferred to  
 (a) The job (b) Costing P & L a/c (c) Overhead a/c (d) P&L a/c.
200. Cost of normal idle time is charged to production at the ----- rate.  
 (a) Market (b) Book (c) Inflated (d) Deflated.
201. Loss of time due to avoidable reasons is known as

- (a) Normal idle time                      (b) Abnormal idle time  
(c) Over time                                (d) None of these.
202. Time lost in the course of normal activity is known as -----.
- (a) As idle time                              (b) Abnormal idle time  
(c) Overtime                                (d) None of these                      (e) Normal idle time.
203. ----- is prepared only after the purchase requisition is obtained.
- (a) Material requisition (b) Purchase order (c) Bin card (d) Stores ledger.
204. ----- will lead to unnecessary blocking of working capital.
- (a) Overstocking                              (b) Under stocking  
(c) Safety stock                                (d) Minimum stock level.

### ANSWERS

- |       |       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|
| 1. C  | 2.C   | 3.C   | 4.B   | 5.B   | 6.C   | 7.B   | 8.B   |
| 9.B   | 10.B  | 11.B  | 12.A  | 13.A  | 14.C  | 15.B  | 16.A  |
| 17.A  | 18.A  | 19.A  | 20.C  | 21.B  | 22.B  | 23.A  | 24.C  |
| 25.C  | 26.A  | 27.B  | 28.C  | 29.B  | 30.B  | 31.C  | 32.C  |
| 33.B  | 34.B  | 35.A  | 36.B  | 37.A  | 38.B  | 39.B  | 40.A  |
| 41.B  | 42.A  | 43.C  | 44.C  | 45.A  | 46.A  | 47.A  | 48.A  |
| 49.B  | 50.C  | 51.C  | 52.A  | 53.B  | 54.A  | 55.B  | 56.A  |
| 57.B  | 58.A  | 59.C  | 60.B  | 61.A  | 62.C  | 63.A  | 64.A  |
| 65.B  | 66.A  | 67.B  | 68.B  | 69.A  | 70.A  | 71.C  | 72.C  |
| 73.C  | 74.C  | 75.B  | 76.A  | 77.A  | 78.B  | 79.A  | 80.B  |
| 81.B  | 82.B  | 83.C  | 84.A  | 85.A  | 86.B  | 87.B  | 88.A  |
| 89.C  | 90.C  | 91.B  | 92.B  | 93.A  | 94.C  | 95.A  | 96.A  |
| 97.A  | 98.B  | 99.A  | 100.B | 101.B | 102.C | 103.C | 104.A |
| 105.B | 106.A | 107.C | 108.B | 109.B | 110.A | 111.A | 112.A |
| 113.C | 114.A | 115.B | 116.A | 117.B | 118.A | 119.A | 120.B |
| 121.B | 122.A | 123.A | 124.B | 125.B | 126.E | 127.B | 128.C |
| 129.C | 130.B | 131.B | 132.A | 133.B | 134.A | 135.A | 136.B |
| 137.B | 138.B | 139.D | 140.B | 141.B | 142.A | 143.A | 144.A |
| 145.C | 146.B | 147.A | 148.A | 149.B | 150.B | 151.A | 152.B |
| 153.A | 154.A | 155.B | 156.B | 157.B | 158.C | 159.A | 160.C |
| 161.B | 162.A | 163.B | 164.B | 165.C | 166.A | 167.C | 168.C |
| 169.A | 170.A | 171.B | 172.C | 173.B | 174.B | 175.C | 176.B |
| 177.C | 178.C | 179.B | 180.C | 181.A | 182.B | 183.D | 184.B |
| 185.C | 186.E | 187.A | 188.B | 189.D | 190.A | 191.D | 192.A |
| 193.A | 194.A | 195.A | 196.B | 197.B | 198.C | 199.B | 200.B |
| 201.A | 202.E | 203.B | 204.A |       |       |       |       |

