

Sample Question
T. Y. B.Com. (Sem VI)
Cost Accounting

1. Marginal costing is _____
 - a) Method of costing
 - b) Not method of costing**
 - c) Standard costing
 - d) Contract costing
2. Work certified is Rs.3,00,000 ;cash received is 80%. Rs. _____
 - a) Rs.3,40,000
 - b) Rs.2,40,000**
 - c) Rs.2,00,000
 - d) Rs.2,50,000
3. Cost of output is calculated at each process _____
 - a) Everyday
 - b) Periodically**
 - c) Weekly
 - d) Monthly
4. Contribution is equal to _____
 - a) $F + V$
 - b) $S - V$**
 - c) $S - F$
 - d) $P - S$
5. Loss of material by fire is debited to _____
 - a) Financial Profit & Loss A/C
 - b) Costing Profit & Loss A/C**
 - c) Contract A/C
 - d) Contractees A/C
6. Difference between standard cost and actual cost is called as _____
 - a) Variance**
 - b) Profit
 - c) Loss
 - d) Wastages

7. If sales Rs.5,00,000 ; V = Rs. 2,00,000 ; F = Rs. 2,40,000 ; the P /V ratio will be_____

- a) **60%**
- b) 40%
- c) 20%
- d) 45%

8. Sale of material is credited to _____

- a) **Contract A/C**
- b) Material A/C
- c) Contractees A/C
- d) Contractors A/C

9. Net profit Decrease in the sale price_____

- a) Does not affect the BEP
- b) Lower the NP
- c) **Increase the BEP**
- d) Lower the BEP

10.Marginal cost equation is _____

- a) **S – V = F + P**
- b) $F + C = S - V$
- c) $S - P = S - V$
- d) $P - S = S + V$

11.Loss of stores (normal) is recorded in cost accounts as Stores Ledger Production Overheads Costing P/L A/c

- a. Debit Credit Nothing
- b. Credit Debit Nothing**
- c. Nothing Debit Credit
- d. Credit Nothing Debit

12.Margin of safety is _____

- a) $S - C$
- b) Actual sales – Break even sales**
- c) $S - F$
- d) $F + V$

13.Abnormal gain is valued at _____

- a) Cost of input
- b) Cost of output**

- c) Standard cost
- d) Market value

14. Labour rate standard decided by _____

- a) **H R Department**
- b) Sales department
- c) Purchase department
- d) Production department

15. A credit to the Manufacturing overhead control account represents the

- a. actual cost of overhead incurred
- b. actual cost of overhead paid this period
- c. amount of overhead applied to production**
- d. amount of indirect material and labour used during the period

16. When employees assemble products

- a. Cost of goods manufactured decreases
- b. Work in process inventory increases**
- c. Work in process inventory decreases
- d. Manufacturing overhead decreases

17. Abnormal loss is _____

- a) **Controllable loss**
- b) Non – controllable loss
- c) Avoidable loss
- d) Unavoidable loss

18. The Work-in-Progress Control Account is not debited with :

- a. direct materials and direct labour
- b. direct expenses
- c. production overheads (recovered)
- d. selling and distribution overheads**

19. Normal loss is 10%, Input 950 units, abnormal loss is 15 units. The output is

- _____
- a) **840 units**
 - b) 750 units
 - c) 740 units
 - d) 800 units

20. Under Non Integrated system the number of set of accounts books maintained is

- _____
- a) 1

- b) 4
- c) **2**
- d) 3

21. Input is 950 units, normal loss is 10%, output is 840 units, abnormal loss is

- _____
- a) 20 units
 - b) 15 units**
 - c) 25 units
 - d) 30 units

22. Cash received Rs. 2, 00,000. It is 80% of Work certified. The work certified is Rs. _____

- a) Rs.2,50,000**
- b) Rs.1,50,000
- c) Rs.2,00,000
- d) Rs.1,75,000

23. The double entry for factory cost of production in a cost ledger is

- a. Cost of Sales Account Dr. Finished Goods Control Account Cr.
- b. Finished Goods Control Account Dr. WIP Control Account Cr.**
- c. Costing Profit and Loss Account Dr. Finished Goods Control Account Cr.
- d. WIP Control Account Dr. Finished Goods Control Account Cr.

24. What is a cost ledger control account?

- a. An account in the cost ledger to record financial accounting items**
- b. An account in the financial ledger to record cost accounting items
- c. An account that summarises outstanding payables balances
- d. An account that summarises outstanding receivables balances

25. Abnormal gain arises due to _____

- a) Increase in efficiency**
- b) Increase in loss
- c) Increase in cost
- d) Decrease in efficiency

26. Contract work is carried out at _____ site

- a) Customers**
- b) Contractors
- c) Material supplier
- d) Seller

27. Normal penalties are debited to _____

- a) Profit & Loss A/C
- b) Contract A/C**
- c) Contractees A/C
- d) Contractors A/C

28. Excess of standard cost over actual cost is a _____

- a) Favorable variance**
- b) Unfavorable variance
- c) Abnormal gain
- d) Abnormal Loss

29. Normal loss is _____

- a) Controllable
- b) Non controllable**
- c) Ascertainable
- d) Transferable

30. In a typical cost ledger, the double entry for indirect labour charges incurred during a period is Debit Credit

- a. Wages control account Overheads control account
- b. WIP control account Wages control account
- c. Overheads control account Wages control account**
- d. Wages control account WIP control account

31. When goods are sold, what double-entry would be made to record the transfer of costs? Debit Credit

- a. Finished Goods Account Cost of Sales Account
- b. Sales Account Cost of Sales Account
- c. Cost of Sales Account Sales Account
- d. Cost of Sales Account Finished Goods Account**

32. The Work-in-Progress Control Account is not debited with :

- e. direct materials and direct labour
- f. direct expenses
- g. production overheads (recovered)
- h. selling and distribution overheads**

33. The application of factory overheads usually would be recorded as an increase in

- a. Cost of goods sold
- b. Work-in-progress control**
- c. Factory overheads control

d. Finished goods control

34. The debit balance of the overheads adjustment account may be transferred to

a. Cost of sales account

b. Profit and loss account

c. Finished goods account

d. Work-in-progress account

35. When production has been completed what double-entry would be made in a cost accounting system? Debit Credit

a. Cost of Sales Finished Goods

b. Finished Goods Work-in-Progress

c. Finished Goods Cost of Sales

d. Work-in-Progress Finished Goods

36. The raw materials issued to a job were overestimated and the excess is being sent back to the materials store. What document is required?

a. Stores credit note

b. Stores debit note

c. Materials returned note

d. Materials transfer note

37. Marginal costing is _____

e) Method of costing

f) Not method of costing

g) Standard costing

h) Contract costing

38. In a period ` 50,000 was incurred on indirect labour. In a Cost Ledger, the double entry will be:

a. Wages Control Account Dr. Overhead Control Account Cr.

b. WIP Control Account Dr. Wages Control Account Cr.

c. Overhead Control Account Dr. Wages Control Account Cr.

d. Wages Control Account Dr. WIP Control Account Cr.

39. At the end of a financial period, accounting entries for under absorbed overheads would be

a. WIP Control Account Dr. Overhead Control Account Cr.

b. Profit and Loss Account Dr. WIP Control Account Cr.

c. Profit and Loss Account Dr. Overhead Control Account Cr.

d. Overhead Control Account Dr. Profit and Loss Account Cr.

40. The application of factory overheads usually would be recorded as an increase in

e. Cost of goods sold

f. Work-in-progress control

g. Factory overheads control

h. Finished goods control

41. Purchases for special jobs is debited under non-integrated system to

a. Work-in-progress ledger control account

b. Cost ledger control account

c. Stores ledger control account

d. Purchases account

42. Material amounting to ` 58,300 is purchased on credit. The entry in Cost Ledger under non-integrated System is

a. Purchases A/c Dr. 58,300 To Sundry Creditors 58,300

b. Stores Ledger Control A/c Dr. 58,300 To General Ledger Adjustment A/c 58,300

c. Purchases A/c Dr. 58,300 To Cost Ledger Control A/c 58,300

d. Work-in-Progress Control A/c Dr. 58,300 To General Ledger Adjustment A/c 58,300

43. Materials Requisition Note

a. authorises and records the issue of materials for use

b. records the return of unused materials

c. records the transfer of materials from one store to another

d. a classified record of materials, issues, returns and transfers

44. Materials Transfer Note

a. authorises and records the issue of materials for use

b. records the return of unused materials

c. records the shifting of materials from one store to another

d. a classified record of materials, issues, returns and transfers

45. Purchases for special jobs is debited under non-integrated system to

e. Work-in-progress ledger control account

f. Cost ledger control account

g. Stores ledger control account

h. Purchases account

46. The double entry for factory cost of production in a cost ledger is

e. Cost of Sales Account Dr. Finished Goods Control Account Cr.

f. Finished Goods Control Account Dr. WIP Control Account Cr.

g. Costing Profit and Loss Account Dr. Finished Goods Control Account Cr.

h. WIP Control Account Dr. Finished Goods Control Account Cr.

47. What is an interlocking bookkeeping system?

- a. A single, combined system containing both cost accounting and financial accounting records
- b. A system combining cost accounting and management accounting
- c. A system with high secured access
- d. A system where separate accounts are kept for cost accounting and for financial accounting**

48. The objective of standard costing is to control through _____

- a) Standard cost
- b) Estimated cost
- c) Variance analysis**
- d) Actual Cost

49. ABC is a _____

- a) Method of costing
- b) Method of allocation**
- c) Techniques of costing
- d) Method of Valuation

50. Purchases for special jobs is debited under non-integrated system to

- a) Work-in-progress ledger control account**
- b) Cost ledger control account
- c) Stores ledger control account
- d) Purchases account