

CLASS: M.Com. C.A.

15A/248

St. JOSEPH'S COLLEGE (AUTONOMOUS) TIRUCHIRAPPALLI – 620 002

SEMESTER EXAMINATIONS – APRIL 2015

TIME: 40 Minutes

MAXIMUM MARKS: 30

SEM	SET	PAPER CODE	TITLE OF THE PAPER
II	2014	14PCC2106	COST ACCOUNTING

SECTION - A

Answer all the questions:

30 × 1 = 30

Choose the correct answer:

- The main purpose of cost accounting is to
 - Maximize profit
 - Help in inventory valuation
 - Provide information decision making
 - Aid in the fixation of selling price
- Cost Accounting differs from financial accounting in respect of
 - Reporting of cost
 - Ascertaining cost
 - Control of cost
 - Recording cost
- Job costing is applied in
 - Textile mills
 - Printing press
 - Paper mills
 - Chemical works
- Prime cost plus variable overheads is known as
 - Cost of sales
 - Production cost
 - Total cost
 - Marginal cost
- Which one of the following constitutes the cost of production?
 - Works cost + office and administration overheads
 - Prime cost + factory overheads
 - Works cost + prime cost
 - Works cost + selling and distribution overheads

6. Which one of the following constitutes the cost of sales?
 - a) Works cost + administration overheads
 - b) Cost of production + selling and distribution overheads
 - c) Prime cost + works overheads
 - d) Works cost + selling and distribution overheads
7. In which of the following methods of pricing, costs lag behind the current economic values?
 - a) LIFO
 - b) Weighted average price
 - c) FIFO
 - d) Replace price
8. Under which method of issue of materials is priced at the latest purchase price?
 - a) Simple average
 - b) Weighted average
 - c) FIFO
 - d) LIFO
9. In base stock method of pricing the material issues, the term base stock represents the
 - a) Maximum stock
 - b) Minimum stock
 - c) Stock in balance
 - d) Quantity of stock being issued
10. Re-ordering quantity may be measured in
 - a) LIFO
 - b) FIFO
 - c) Standard cost
 - d) Weighted average cost
11. Which of the following does not usually appear on a GRN?
 - a) Price of goods
 - b) Quantity received
 - c) Date received
 - d) Description of goods
12. Purchase requisition is generally prepared in
 - a) Triplicate
 - b) Single
 - c) Duplicate
 - d) Quadruplicate
13. Which of the following is a system, which combines both time and piece rate system?
 - a) Emerson's system
 - b) Merrick's differential system
 - c) Halsey system
 - d) Bedaux system
14. Which of the following incentive methods of wage payment should be used for indirect workers?
 - a) Gantt's task and bonus system
 - b) Rowan plan
 - c) Taylor's differential piece rate system
 - d) None of the above

15. Under Emerson's efficiency plan, the worker gets normal wages at
- a) 100% efficiency
 - b) 80% efficiency
 - c) $33\frac{1}{3}\%$ efficiency
 - d) $66\frac{2}{3}\%$ efficiency
16. Under Gantt task and banks plant, no bonus is available to worker if his efficiency below
- a) 100%
 - b) 50%
 - c) 75%
 - d) $66\frac{2}{3}\%$
17. In which of the following incentive plans of wage payment, wages on time basis are not guaranteed?
- a) Gantt's task and banks system
 - b) Halsey plan
 - c) Rowan plan
 - d) Taylor's differential piece rate system
18. Under the high wage plan, a worker is paid
- a) Normal wages plus bonus
 - b) At a double rate for overtime
 - c) According to his efficiency
 - d) At a time rate higher than the usual rate
19. The allocation of whole items of cost to cost centres or cost unit is termed as
- a) Cost allocation
 - b) Cost apportionment
 - c) Overhead absorption
 - d) Cost reapportionment
20. Warehouse expenses is an example of
- a) Factory overhead
 - b) Administrative overhead
 - c) Selling overhead
 - d) Distribution overhead
21. Factory overheads should be absorbed on the basis of
- a) Machine hours
 - b) Direct labour hours
 - c) Direct labour cost
 - d) Relationship to cost incurred
22. Administration overheads are recovered as a percentage of
- a) Works cost
 - b) Prime cost
 - c) Direct materials
 - d) Direct wages

23. When the amount of overhead absorbed is less than the amount of overhead incurred, is known as;
- a) Under-absorption of overhead
 - b) Over-absorption of overhead
 - c) Proper absorption of overhead
 - d) None of these
24. Which one of the following is a cost of seeking to create and stimulate demand and securing orders?
- a) Distribution cost
 - b) Selling cost
 - c) Administration cost
 - d) Research cost
25. In process costing, cost follows
- a) Finished goods
 - b) Product flow
 - c) Price rise
 - d) Price decline
26. The type of process loss that should not affect the cost of inventories is
- a) Standard loss
 - b) Seasonal loss
 - c) Normal loss
 - d) Abnormal loss
27. Individual product, each of a significant value, produced simultaneously from the same raw material is known as
- a) By-product
 - b) Joint product
 - c) Main product
 - d) Co-product
28. Which of the following items is included in cost accounts?
- a) Notional rent
 - b) Rent receivable
 - c) Transfer to general reserve
 - d) None of the above
29. Which of the following items is not included in financial books?
- a) Interest on capital
 - b) Notional rent
 - c) Loss on sale of fixed assets
 - d) Donations
30. Which of the following items shall be added to costing profit to arrive at financial profit?
- a) Income tax paid
 - b) Interest on debentures
 - c) Rent receivable
 - d) Under-absorption of works overheads
