Sample Questions:	**Class: T.Y.B.Com**
Examination Code:	**Semester: VI**
Subject: Cost Accounting	**Paper Code: 83007**

Sr. No.	**Questions**	**Option A**	**Option B**	**Option C**	**Option D**	**Correct Answer**	**Unit**
1	Under Non Integrated system _____ accounts and _____ accounts are maintained separately.	Cost, Financial	Personal, Cost	Only cost	Only real account	Cost, Financial	I
2	_____ contains each item of stores.	WIP ledger	Stores Ledger	Cost Ledger accounting	Finished Goods Ledger	Stores Ledger	I
3	Cost of unfinished work is shown by _____ Ledger.	WIP ledger	Stores Ledger	Cost Ledger accounting	Finished Goods Ledger	WIP ledger	I
4	Issue of material is _____ to stores ledger control A/c.	Under absorbed overheads	Debited	Credited	Added	Credited	I
5	Under / over absorption of overheads is shown by _____.	Factory overhead	Cost of finished work	WIP ledger	Cost of unfinished work	Factory overhead	I
6	N. P. / N. L. as per cost A/c is shown by _____.	Costing Profit & Loss A/c	Stores Ledger Control A/c.	WIP ledger	Factory overhead	Costing Profit & Loss A/c	I
7	Cost ledger contains all _____ accounts.	Impersonal	Personal	Only real account	Cost	Impersonal	I
8	Finished items are shown by _____ _____ Ledger.	Costing P & L A/c.	Finished Goods Ledger	WIP ledger	Stores Ledger	Finished Goods Ledger	I
9	Control accounts provide a basis_	For reconciliation of cost and financial	For reconciliation of cost and management	For reconciliation of financial	For reconciliation of management	For reconciliation of cost and financial	I

		accounts.	accounts.	accounts and management accounts.	accounts.	accounts.	
10	The balance on Factory overhead Control A/c represents	Under absorption of overheads	Over absorption of overheads.	Either a) or (b)	Neither a) nor (b)	Either a) or (b)	I
11	The balance of Finished Goods Ledger control represents	Cost of goods remaining unsold	Cost of goods sold out	Cost of WIP.	Cost of Purchase	Cost of goods remaining unsold	I
12	The balance on cost of Sales A/c is transferred to __	Financial P & L A/c.	Costing P & L A/c.	Cost Ledger Control A/c	Balance Sheet	Costing P & L A/c.	I
13	Purchase of material is debited to ____	WIP ledger	Stores Ledger A/c	Cost Ledger accounting	Finished Goods Ledger	Stores Ledger A/c	I
14	Direct wages are debited to _____ _____ A/c.	WIP ledger	Stores Ledger A/c	Cost Ledger accounting	Factory overhead	WIP ledger	I
15	Indirect wages are debited to _____ A/c.	WIP ledger	Stores Ledger A/c	Cost Ledger accounting	Factory overhead	Factory overhead	I
16	Construction companies follow _____ costing.	Contract	Sub-contract A/c	Contractee's A/c	Contractor's	Contract	II
17	Work done but not certified is called _____.	Contract Price	Work Uncertified	Work Certified	Plant At Site	Work Uncertified	II
18	_____ is the person for whom the Contract job is undertaken.	Contractor	Contractee	Sub-contractor	Job-worker	Contractee	II
19	The degree of completion of work is determined by comparing the work certified with	Contract price	Work in progress	Cash received on contract	Retention money	Contract price	II
20	Profit on incomplete	Retention	Completion	Degree	Work in progress	Degree	II

	contract is calculated on the basis of _____ of completion.						
21	Work uncertified is valued at _____.	Market price	Store	Cost	Future Price	Cost	II
22	Sale of scrap is _____ to contract A/c.	Debited	Completion	Credited	Added	Credited	II
23	2/3rd of Notional profit is considered when the work certified is _____ or more.	50%,less	20%, more	50%, more	70%, more	50%, more	II
24	_____ ensures the Contractee that the contractor will continue the work.	Work certified	Retention	Completion	Work uncertified	Retention	II
25	If cash received is 80,000 which is 80% of work certified, the value of work certified is ___.	Rs. 200000	Rs. 300000	Rs. 100000	Rs. 150000	Rs. 100000	II
26	On _____ of the contract entire profit is transferred to P & L A/c.	Work certified	Retention	Completion	Work uncertified	Completion	II
27	_____ indicates work done and certified.	Work certified	Retention	Completion	Work uncertified	Work certified	II
28	Work certified is valued in term of _____.	Contract Price	Completion	Retention	Degree	Contract Price	II
29	_____ Money is paid after a certain period.	Contract Price	Completion	Retention	Degree	Retention	II
30	If work done	35%	25%	15%	55%	25%	II

	is less than _____ % no profit is credited to Profit and Loss A/c.						
31	Value of plant at site is shown on _____ side of contract A/c.	Debit	Credit	Degree	Completion	Credit	II
32	Sub-contract cost is _____ to contract A/c.	Debited	Completion	Credited	Added	Debited	II
33	Material supplied to site is debited to	Contract A/c	Contractee A/c	Contractor's A/c	Material control Account	Contract A/c	II
34	Cost of plant issued to site is debited to	Contract A/c	Contractee A/c	Contractor's A/c	Machinery A/c	Contract A/c	II
35	Cash received is equal to	Work certified – retention money	Contract price – work certified	Work certified + work uncertified	No Profit is transferred to Profit and Loss Account	Work certified – retention money	II
36	Sale of plant from site is	Credited to contract A/c	Debited to contract A/c	Debited to Insurance claim A/c	Debited to P & L A/c	Credited to contract A/c	II
37	Cost of rectification of defective work is	Debited to contract A/c	Credited to contract A/c	Ignored from contract A/c	Contractor's A/c	Debited to contract A/c	II
38	Work certified is Rs. 3,00,000 cash received is 80% cash received is	Rs. 340000	Rs. 240000	Rs. 200000	Rs. 250000	Rs. 240000	II
39	Value of work certified Rs. 2,50,000 cost of work certified Rs. 1,00,000 Notional profit is	Rs. 100000	Rs. 75000	Rs. 150000	Rs. 250000	Rs. 150000	II
40	Contract price is Rs. 5,00,000 work certified	Rs. 340000	Rs. 240000	Rs. 200000	Rs. 250000	Rs. 240000	II

	is 60% payment from the Contractee is 80% the amount of payment received is						
41	Output is 2,500 units Normal Loss is 300 units abnormal loss is 200 units. The input is	2,000 units	3,000 unit	1,500 units	3500 unit	3,000 unit	III
42	Normal loss is _____ to process A/c.	Debited	Deducted	Credited	Added	Credited	III
43	Normal loss is _____ loss.	Cost	Controllable loss	Non-controllable	Added	Non-controllable	III
44	Abnormal loss is _____ loss.	Cost	Controllable loss	Non-controllable	Added	Controllable loss	III
45	In process costing cost of a product is ascertained at each _____.	Process	Added	Deducted	Cost	Process	III
46	Abnormal gain is excess of _____ output over _____ output.	Actual, Normal	Controllable loss	Non-controllable	Deducted	Actual, Normal	III
47	Balance on abnormal loss account is transferred to _____.	Costing, P & L A/C	Balance sheet	Process A/c	Deducted	Costing, P & L A/C	III
48	Abnormal gain is valued at _____.	Cost	Process	Normal	Actual	Cost	III
49	Output of previous process becomes the _____ of next process.	Process	Input	Output	Cost	Input	III
50	_____ has realizable value.	Scrap	Input	normal loss	Process	Scrap	III
51	_____ Loss is treated as cost	Abnormal	Normal	Scrap	Input	Normal	III

	of production.						
52	_____ Loss is unavoidable.	Abnormal	Normal	Scrap	Input	Normal	III
53	Input is 950 units Normal Loss is 10% output is 840 units abnormal loss is	20 units	15 units	25 units	30 units	15 units	III
54	Normal Loss is 10% Input is 950 units Abnormal Loss 15 units The output is	840 units	750 units	740 units	800 units	840 units	III
55	Sale of By – Product is	Debited to process A/c	Credited to process A/c	Credited to Profit & Loss A/c	Debited to Normal A/c	Credited to process A/c	III
56	The product which has a lower sale value than the main product is a	Joint product	By – product	Economic product	Consumer product	By – product	III
57	Joint products are of _____ importance.	Considerable	Standard cost method	Economic product	Consumer product	Considerable	III
58	_____ _____ are produced simultaneously.	By–Product	Joint Products	Economic Product	Consumer Product	Joint Products	III
59	Process A/c is credited by	Output transferred to next process A/c	Material transferred to process A/c	Scrap value of normal loss	Both (a) and (c)	Both (a) and (c)	III
60	Balance on abnormal gain A/c after adjustments of scrap value is transferred to	Normal loss A/c	Costing P & L A/c	Process A/c	Abnormal gain A/c	Costing P & L A/c	III
61	If contribution is 20,000 and sales are 1, 00,000, P/V ratio is _____.	10%	20%	30%	40%	20%	IV
62	Marginal cost is _____ cost.	Variable	Material	Fixed	Contract	Variable	IV
63	If fixed cost is	5,000,000	4,000,000	6,000,000	7,000,000	6,000,000	IV

	6, 00,000 and P/V ratio is 10%, the BEP is _____.						
64	Marginal costing is a _____ of costing.	Method	Technique	Type	Process	Technique	IV
65	Under marginal costing cost is classified into _____ and _____ categories.	Marginal Cost, Material Cost	Fixed, Variable	Real, Nominal	Personal, real	Fixed, Variable	IV
66	P/V ratio is = _____ / Sales × 100.	Contribution	Variable Cost	Fixed Cost	Marginal Cost	Contribution	IV
67	BEP is no _____ no _____ stage.	Profit, Loss	Direct Material, Direct Labour	Fixed, Variable	Marginal Cost, Material Cost	Profit, Loss	IV
68	Margin of Safety = _____ / P/V Ratio.	Profit	Fixed Cost	Variable Cost	Material Cost	Profit	IV
69	Marginal cost equation is sales Less _____ cost.	Profit	Fixed Cost	Variable Cost	Material Cost	Variable Cost	IV
70	Profit is excess of _____ over fixed cost.	Variable Cost	Contribution	Material Cost	Fixed Cost	Contribution	IV
71	P/V ratio is improved by _____ variable cost.	Decreased	Increased	Contribution	Profit	Decreased	IV
72	Sales are 1, 00,000, variable cost is 70,000 and fixed cost is 15,000. The P/V ratio will be	30%	10%	25%	50%	30%	IV
73	Contribution margin is equal to	Fixed cost + variable cost	Sales – variable cost	Sales – fixed assets	Sales – profit	Sales – variable cost	IV
74	Margin of	Sales –	Actual sales	Sales – fixed	Sales – profit	Actual sales	IV

	safety is	contribution	– Break even sales	assets		– Break even sales	
75	A company has sales of Rs. 2,00,000; P/V Ratio is 20% and fixed cost is Rs. 15,000; the profit will be	Rs. 25,000	Rs. 20000	Rs. 35000	Rs. 40000	Rs. 25000	IV
76	Difference between standard cost and actual cost is called as __	Variance	Profit	Loss	Wastage	Variance	V
77	Excess of actual cost over standard cost is a	Favorable variance	Unfavorable variance	Abnormal gain	Normal loss	Unfavorable variance	V
78	Excess of standard cost over actual cost is a	Favorable variance	Unfavorable variance	Abnormal gain	Abnormal loss	Favorable variance	V
79	Material cost variance is favorable when	Actual cost of material is more than std. material cost	Standard cost of material is more than actual cost of material	Actual quantity of material is more than standard quantity of material	Actual quantity of material is less than std. material quantity	Standard cost of material is more than actual cost of material	V
80	Labour cost variance is a difference between	Std. Labour Cost And Actual Labour Cost	Std. Labour Hrs – Actual Labour Hrs	Std. Labour Rate – Actual Labour Rate	Actual Labour Hrs – Std Labour Hrs	Std. Labour Cost And Actual Labour Cost	V
81	Favorable labour efficiency variance indicates	Improvement in labour efficiency	Improvement in quality	Cost reduction	reduction in quantity	Improvement in labour efficiency	V
82	Labour rate variance is favorable when	Actual rate is lower than the std. rate	Actual time is less than std. time	Actual rate is higher than std. rate	Actual time is more than std. time	Actual rate is lower than the std. rate	V
83	Idle time variance is always	Favorable	Unfavorable	Controllable	uncontrollable	Unfavorable	V
84	MPV + MUV = _____.	MCV	Favorable	LEV	Unfavorable	MCV	V
85	Standard cost	In advance	Favorable	Unfavorable	Controllable	In advance	V

	is decided _____.						
86	Material yield variance arises due to change in _____.	non–controllable	Wastage	Adverse	Controllable	Wastage	V
87	Standard material cost depends on standard quantity and _____.	Actual Quantity	Actual Price	Standard Price	Cost Price	Standard Price	V
88	Change in basic wage rate gives rise to _____.	Labour Rate Variance	Labour Efficiency Variance	Material rate Variance	Material usage variance	Labour Rate Variance	V
89	Incompetent supervision causes _____.	Labour Rate Variance	Labour Efficiency Variance	Material rate Variance	Material usage variance	Labour Efficiency Variance	V
90	Labour efficiency variance is favorable when actual labour hours are less than _____.	Standard Labour Hours	Actual Hours	Actual Rate	Standard rate	Standard Labour Hours	V
91	ABC is a	Method of costing	Method of allocation	Technique of costing	Part of Costing	Method of allocation	VI
92	An activity which generates cost is a	Cost driver	Cost pool	Cost unit	Cost Centre	Cost driver	VI
93	_____ is the process of comparing performance with the Benchmark.	Bench Marking	Growth	Maturity	Initial Cost	Bench Marking	VI
94	ABC stands for	Activity Based Costing	ABC Analysis	Asset Based Control	Cost control	Activity Based Costing	VI
95	Documentation activity has cost driver	No. of bookings	No. of spare parts	No. of proposals	No. of units	No. of bookings	VI
96	The transactions which influence the	Cost drivers	Input	Output	Cost center	Cost drivers	VI

	cost are						
97	_____ is a primary element of target costing.	Coordination	Method Of Allocation	Technique Of Costing	Growth	Coordination	VI
98	At Growth stage sales _____.	Initial Cost	Increase	Decrease	Neutral	Increase	VI
99	____ is incurred at the initial stage.	Cost unit	Initial Cost	Operating Cost	Ordering cost	Initial Cost	VI
100	Cost of material handling is _ _____.	Cost Unit	Operating Cost	Initial Cost	Value Engineering	Operating Cost	VI