

## TOPIC - COST ACCOUNTING

1. Batch costing is suitable for
  - A. Oil Industry
  - B. Sugar Industry
  - C. Chemical Industry
  - D. Pharmaceutical Industry**
  
2. Idle time is
  - A. Time spent by workers in office
  - B. Time spent by workers in factory
  - C. Time spent by workers off their work**
  - D. Time spent by workers on their job
  
3. Warehouse expense is an example of
  - A. Production overhead
  - B. Administration overhead
  - C. Selling overhead
  - D. Distribution overhead**
  
4. Standard deals with the principles and methods of determining depreciation and amortization cost is
  - A. CAS-8
  - B. CAS -11
  - C. CAS-16**
  - D. CAS-20
  
5. In Reconciliation Statement expenses shown only in cost accounts are
  - A. Added to financial profit
  - B. Deducted from financial profit**
  - C. Ignored
  - D. Deducted from costing profit
  
6. In a job cost system, costs are accumulated
  - A. On a monthly basis
  - B. By specific job**
  - C. By department or process
  - D. By kind of material used

7. In a process 6,000 units are introduced during a period. 5% of input is normal loss. Closing work-in-process 60% complete is 800 units. 4,900 completed units are transferred to next process. Equivalent production for the period is

- A. 6,800 units
- B. 5,700 units
- C. 5,680 units
- D. 5,380 units**

8. Which of the following best describes a fixed cost?

- A. It may change in total where such change is unrelated to changes in production.**
- B. It may change in total where such change is related to changes in production.
- C. It is constant per unit of change in production.
- D. It may change in total where such change depends on production within the relevant range.

9. Z Ltd. is planning to sell 1,00,000 units of product A for Rs. 12.00 per unit. The fixed costs are Rs.2,80,000. In order to realize a profit of Rs. 2,00,000, what would the variable costs be?

- A. Rs. 4,80,000
- B. Rs. 7,20,000**
- C. Rs. 9,00,000
- D. Rs. 9,20,000

10. Sales budget is an example of

- A. Expenditure budget
- B. Functional budget**
- C. Capital budget
- D. Master budget