1) \_\_\_\_\_ refers to the cost incurred for making the goods or services available to the customers.

a) Administrative overheads

b) Distribution cost

c) Research and development cost

d) Production cost

2) The value of one or more products given up to acquire the desired product or service is known as \_\_\_\_\_\_.

a) marginal cost

b) replacement cost

c) opportunity cost

d) sunk cost

3) Which of the following is not a reason for the difference between cost profit and financial profit ?

a) Items shown only in financial accounts

b) Items shown only in cost accounts

c) Over absorption of overheads

d) Same methods of charging depreciation

4) Marginal Cost = \_\_\_\_\_

1. Addition of direct material, direct labour, direct expenses and variable overheads
2. Addition of direct material, direct labour and direct expenses minus variable overheads
3. Addition of direct material, direct labour and direct expenses multiplied by variable overheads
4. Addition of direct material, direct labour and direct expenses divided by variable overheads

5) What will be the amount of profit if MOS is Rs. 3,000 and PV ratio is 40% ?

a) Rs. 3,000

b) Rs. 7,500

c) Rs. 5,000

d) Rs. 1,200

6) What will be the amount of profit if sales is Rs. 40,000, PV ratio is 10% and Fixed cost is Rs. 2,000?

a) Rs. 2,000

b) Rs. 4,000

c) Rs. 6,000

d) Rs. 8,000

7) P/V RATIO = \_\_\_\_\_

a) (change in value / change in cost) \* 100

b) (change in sales / change in profit ) \* 100

c) (change in profit / change in sales) \* 100

d) (change in cost / change in value) \* 100

8) What is the amount of variable cost per unit if selling price per unit is

Rs. 2.50 and contribution is Rs. 1.30?

1. Rs. 1.20
2. Rs. 3.70
3. Rs. 2.80
4. Rs. 2.20

9) If Depreciation charged in Financial Records is Rs. 12,200 and Depreciation recovered in Costing is Rs.17,500, then it implies that

a) Depreciation is undercharged by Rs. 29,700 in Cost accounts

b) Depreciation is undercharged by Rs. 29,700 in Financial accounts

c) Depreciation is undercharged by Rs. 5,300 in Cost accounts

d) Depreciation is undercharged by Rs. 5,300 in Financial accounts

10) If the value of opening stock in Cost Accounts is Rs. 54,300 and the value of opening stock in Financial Accounts is Rs. 48,500, then it implies that

a) Opening stock overvalued by Rs. 5,800 in Cost Accounts

b) Opening stock overvalued by Rs. 5,800 in Financial Accounts

c) Opening stock overvalued by Rs. 1,02,800 in Cost Accounts

d) Opening stock undervalued by Rs. 1,02,800 in Financial Accounts

11) If base is taken as ‘loss as per cost records’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘Preliminary expenses written off in financial accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

12) If base is taken as ‘profits as per financial accounts’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘depreciation overcharged in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

13) If base is taken as ‘loss as per financial accounts’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘administration overheads over recovered in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

14) If base is taken as ‘profit as per cost accounts’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘undervaluation of factory overheads in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

15) What id the amount of prime cost if direct material is Rs. 40,000, direct labour is Rs. 32,000 and direct expenses is Rs. 6,000?

a) Rs. 66,000

b) Rs. 14,000

c) Rs. 78,000

d) Rs. 2,000

16) What is the amount of opening stock of finished goods if cost of goods sold is Rs. 10,000, total cost of production is Rs. 2,000 and closing stock of finished goods is Rs. 4,000?

a) Rs. 16,000

b) Rs. 12,000

c) Rs. 8,000

d) Rs. 6,000

17) What is the amount of cost of goods sold if total cost of production is Rs. 16,000, opening stock of finished goods is Rs. 6,000 and closing stock of finished goods is Rs. 4,000

a) Rs. 18,000

b) Rs. 26,000

c) Rs. 14,000

d) Rs. 6,000

18) Which of the following is not a limitation of marginal costing?

a) There is no problem of over or under-absorption of overheads.

b) Segregation of costs into fixed and variable elements involves considerable technical difficulty.

c) The elimination of fixed costs renders cost comparison of jobs difficult.

d) This technique cannot be applied in the case of contract costing where the value of work-in-progress will always be high.

19) In those concerns where there are no separate cost and financial accounts, the problem of reconciliation \_\_\_\_\_ arise.

a) does

b) does not

c) always

d) immediately

20) The cost which changes proportionately with the change in production quantity or other business activity is termed under \_\_\_\_\_ .

a) semi-fixed cost

b) fixed cost

c) semi-variable cost

d) variable cost

21) \_\_\_\_\_ is a technique of costing developed for analysis of relationship between cost, volume and profit.

a) Profit costing

b) Sales costing

c) Marginal costing

d) Financial costing

22) The cost which is pre-determined and inevitable is called an \_\_\_\_\_

a) unusual cost

b) abnormal cost

c) avoidable cost

d) unavoidable cost

23) What will be the BEP (units) if fixed cost is Rs. 12,500, selling price per unit is Rs. 150 and variable cost per unit is Rs. 25?

a) 100 units

b) 83 units

c) 500 units

d) 71 units

24) What will be the required sales (Rs) if fixed cost is Rs. 10,000, desired profit is Rs. 8,000 and PV ratio is 45% ?

a) Rs. 20,000

b) Rs. 40,000

c) Rs. 60,000

d) Rs. 80,000

25) What will be the required sales (units) is required sales (Rs) is Rs. 80,000 and selling price per unit is Rs. 40?

a) 4000 units

b) 8000 units

c) 1000 units

d) 2000 units

26) What will be the PV ratio, if the profit of a company in the year 2008 and 2009 is Rs. 40,000 and Rs. 15,000 respectively and the amount of sales of the same company for the year 2008 and 2009 is Rs. 75,000 and 25,000 respectively?

a) 50%

b) 60%

c) 80%

d) 20%

27) What will be the PV ratio if contribution is Rs. 100 and sales is Rs. 125?

a) 20%

b) 40%

c) 60%

d) 80%

28) What is the amount of fixed cost if contribution is Rs. 93,000 and profit is Rs. 67,000?

a) Rs. 1,60,000

b) Rs. 1,40,000

c) Rs. 26,000

d) Rs. 80,000

29) In a cost sheet, ‘depreciation on machinery’ will be shown under \_\_\_\_\_ :

a) administrative overheads

b) selling overheads

c) distribution overheads

d) works overheads

30) If total cost is Rs. 1,50,000 and sales is 110% of cost, then what is the amount of profit?

a) Rs. 10,000

b) Rs. 11,000

c) Rs. 15,000

d) Rs. 20,000

31) If total cost is Rs. 14,000 and profit is Rs. 6,000 then what is the amount of sales?

a) Rs. 20,000

b) Rs. 8,000

c) Rs. 5,000

d) Rs. 30,000

32) In a cost sheet, ‘office rent’ will be shown under \_\_\_\_\_ :

a) administrative overheads

b) selling overheads

c) distribution overheads

d) works overheads

33) In a cost sheet, ‘advertisement expenses’ will be shown under \_\_\_\_\_ :

a) administrative and office overheads

b) selling and distribution overheads

c) factory overheads

d) works overheads

34) In a cost sheet, ‘factory electricity charges’ will be shown under \_\_\_\_\_ :

a) administrative overheads

b) selling overheads

c) distribution overheads

d) works overheads

35) If the director’s fees is Rs. 50,000 and the director’s time is shared between the factory and office in the ratio of 30:70, then while preparing the cost sheet, the director’s expenses under works overheads will be \_\_\_\_\_ :

a) Rs. 15,000

b) Rs. 35,000

c) Rs. 30,000

d) Rs. 70,000

36) If the total director’s fees is Rs. 80,000 and the director’s time is shared between the factory and office in the ratio of 20:80, then while preparing the cost sheet, the director’s expenses under office and administrative overheads will be \_\_\_\_\_ :

a) Rs. 16,000

b) Rs. 64,000

c) Rs. 20,000

d) Rs. 80,000

37) If the total telephone expenses are Rs. 1,20,000 and 60% of Telephone Expenses relate to Office and 40% to Sales Department, then while preparing the cost sheet, the telephone expenses under office and administrative overheads will be \_\_\_\_\_ :

a) Rs. 60,000

b) Rs. 40,000

c) Rs. 48,000

d) Rs. 72,000

38) If the total telephone expenses are Rs. 60,000 and 70% of Telephone Expenses relate to Office and 30% to Sales Department, then while preparing the cost sheet, the telephone expenses under selling and distribution overheads will be \_\_\_\_\_ :

a) Rs. 70,000

b) Rs. 30,000

c) Rs. 18,000

d) Rs. 42,000

39) If total salaries is Rs. 40,000 and if salaries to be allocated to the Factory, Office and Sales Department in the ratio of 1:2:1, then salaries under works overheads will be \_\_\_\_\_ :

a) Rs. 40,000

b) Rs. 10,000

c) Rs. 20,000

d) Rs. 30,000

40) If total salaries is Rs. 60,000 and if salaries to be allocated to the Factory, Office and Sales Department in the ration of 3:2:1, then salaries under selling and distribution overheads will be \_\_\_\_\_ :

a) Rs. 40,000

b) Rs. 10,000

c) Rs. 20,000

d) Rs. 30,000

41) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per financial account’, then which of the following is not added?

a) Closing stock undervalued in cost accounts

b) Financial expenses / losses not debited in cost accounts

c) Opening stock undervalued in cost accounts

d) Depreciation undercharged in cost accounts

42) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per financial account’, then which of the following is added?

a) Closing stock overvalued in cost accounts

b) Opening stock overvalued in cost accounts

c) Financial expenses / losses not debited in cost accounts

d) Depreciation undercharged in cost accounts

43) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per cost account’, then which of the following is added?

a) Closing stock undervalued in financial accounts

b) Opening stock overvalued in financial accounts

c) Financial incomes/gains credited in financial accounts

d) Depreciation overcharged in financial accounts

44) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per cost account’, then which of the following is not added?

a) Financial expenses/losses debited in financial accounts

b) Closing stock undervalued in financial accounts

c) Depreciation overcharged in financial accounts

d) Over absorbed overheads in cost accounts

45) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per financial account’, then ‘Under absorbed overheads in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

46) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per financial account’, then ‘Closing stock overvalued in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

47) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per cost account’, then ‘Opening stock undervalued in financial accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

48) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per cost account’, then ‘Over absorbed overheads in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

49) If printing and stationery is Rs. 6,800, salaries to office staff is 3,400, office rent is Rs. 2,800 and depreciation on machinery is 4,000 then the total of office and administrative overheads will be \_\_\_\_\_ :

a) Rs. 10,200

b) Rs. 13,000

c) Rs. 17,000

d) Rs. 13,600

50) If depreciation on delivery van is Rs. 4,000, salesmen’s salary is Rs. 2,800, factory rent and rates is Rs. 6,400 and advertisement expenses is Rs. 3,200, then the total of selling and distribution overheads will be \_\_\_\_\_ :

a) Rs. 12,400

b) Rs. 13,200

c) Rs. 16,400

d) Rs. 10,000

1. The costs involved in the management activities of an organisation like electricity, stationery, telephone expenses, rent etc are known as \_\_\_\_\_:

a) Administrative overheads

b) Distribution cost

c) Research and development cost

d) Production cost

1. The cost which is moderately influenced by the change in business activity is called \_\_\_\_\_:

a) variable cost

b) semi-variable cost

c) fixed cost

d) firm cost

53) Which of the following is not a reason for the difference between cost profit and financial profit ?

a) Items shown only in financial accounts

b) Items shown only in cost accounts

c) Over absorption of overheads

d) Same bases of stock valuation

1. The term \_\_\_\_\_ implies the additional cost involved in producing an extra unit of output, which can be reckoned by total variable cost assigned to one unit:

a) marginal cost

b) fixed cost

c) period cost

d) firm cost

55) What will be the amount of profit if MOS is Rs. 4,500 and PV ratio is 60% ?

a) Rs. 3,000

b) Rs. 2,700

c) Rs. 5,100

d) Rs. 7,500

56) What will be the amount of profit if sales is Rs. 60,000, PV ratio is 10% and Fixed cost is Rs. 4,000?

a) Rs. 2,000

b) Rs. 4,000

c) Rs. 6,000

d) Rs. 8,000

57) Fixed cost = \_\_\_\_\_

a) (sales + p/v ratio) - profit

b) (sales \* cost ) - profit

c) (sales \* p/v ratio) - profit

d) (sales + cost) - profit

58) What is the amount of variable cost per unit if selling price per unit is

Rs. 6.70 and contribution is Rs. 5.30?

1. Rs. 1.40
2. Rs. 3.70
3. Rs. 4.80
4. Rs. 2.20

59) If Depreciation charged in Financial Records is Rs. 16,800 and Depreciation recovered in Costing is Rs.17,200, then it implies that

a) Depreciation is undercharged by Rs. 34,000 in Cost accounts

b) Depreciation is undercharged by Rs. 34,000 in Financial accounts

c) Depreciation is undercharged by Rs. 400 in Cost accounts

d) Depreciation is undercharged by Rs. 400 in Financial accounts

60) If the value of opening stock in Cost Accounts is Rs. 64,000 and the value of opening stock in Financial Accounts is Rs. 78,000, then it implies that

a) Opening stock overvalued by Rs. 14,000 in Cost Accounts

b) Opening stock overvalued by Rs. 14,000 in Financial Accounts

c) Opening stock undervalued by Rs. 1,42,000 in Cost Accounts

d) Opening stock undervalued by Rs. 1,42,000 in Financial Accounts

61) If base is taken as ‘loss as per cost records’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘Closing stock undervalued in financial accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

62) If base is taken as ‘profits as per financial accounts’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘Closing stock undervalued in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

63) If base is taken as ‘loss as per financial accounts’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘Depreciation overcharged in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

64) If base is taken as ‘profit as per cost accounts’ then while preparing statement of reconciliation between financial accounts and cost accounts, ‘Under absorbed overheads in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

65) What id the amount of prime cost if direct material is Rs. 64,800, direct labour is Rs. 32,200 and direct expenses is Rs. 6,600?

a) Rs. 38,000

b) Rs. 97,000

c) Rs. 1,03,600

d) Rs. 71,400

66) What is the amount of opening stock of finished goods if cost of goods sold is Rs. 18,000, total cost of production is Rs. 3,000 and closing stock of finished goods is Rs. 4,000?

a) Rs. 22,000

b) Rs. 19,000

c) Rs. 21,000

d) Rs. 7,000

67) What is the amount of cost of goods sold if total cost of production is Rs. 26,000, opening stock of finished goods is Rs. 4,000 and closing stock of finished goods is Rs. 6,000

a) Rs. 36,000

b) Rs. 24,000

c) Rs. 32,000

d) Rs. 10,000

68) Which of the following is a limitation of marginal costing?

a) The technique is simple to understand and easy to operate because it avoids the complexities of apportionment of fixed costs which, is really, arbitrary.

b) The technique provides useful data for managerial decision-making.

c) Segregation of costs into fixed and variable elements involves considerable technical difficulty.

d) It establishes a clear relationship between cost, sales and volume of output and break­even analysis.

69) \_\_\_\_\_ of Cost and Financial Accounts is process to find all the reasons behind disagreement in profit which is calculated as per cost accounts and as per financial accounts.

a) Reconciliation

b) Incompatibility

c) Clashing

d) Differentiation

70) The value of one or more products given up to acquire the desired product or service is known as \_\_\_\_\_ .

a) differential cost

b) replacement cost

c) abnormal cost

d) opportunity cost

71) \_\_\_\_\_ is a technique of costing developed for analysis of relationship between cost, volume and profit.

a) Profit costing

b) Sales costing

c) Marginal costing

d) Financial costing

72) When there is an increment or decrement in the cost of bulk production, the change in the cost of a single unit is also determined which is known as \_\_\_\_\_ :

a) differential cost

b) replacement cost

c) abnormal cost

d) opportunity cost

73) What will be the BEP (units) if fixed cost is Rs. 18,500, selling price per unit is Rs. 225 and variable cost per unit is Rs. 40?

a) 100 units

b) 83 units

c) 500 units

d) 71 units

74) What will be the required sales (Rs) if fixed cost is Rs. 16,200, desired profit is Rs. 3,800 and PV ratio is 40% ?

a) Rs. 25,000

b) Rs. 50,000

c) Rs. 60,000

d) Rs. 80,000

75) What will be the required sales (units) is required sales (Rs) is Rs. 16,400 and selling price per unit is Rs. 20?

a) 410 units

b) 320 units

c) 680 units

d) 820 units

76) What will be the PV ratio, if the profit of a company in the year 2008 and 2009 is Rs. 55,000 and 30,000 respectively and the amount of sales of the same company for the year 2008 and 2009 is Rs. 1,00,000 and 50,000 respectively?

a) 50%

b) 60%

c) 80%

d) 20%

77) What will be the PV ratio if contribution is Rs. 100 and sales is Rs. 200?

a) 20%

b) 40%

c) 50%

d) 60%

78) What is the amount of fixed cost if contribution is Rs. 13,600 and profit is Rs. 8,200?

a) Rs. 21,800

b) Rs. 5,400

c) Rs. 21,400

d) Rs. 5,800

79) In a cost sheet, ‘Indirect Materials’ will be shown under \_\_\_\_\_ :

a) administrative overheads

b) selling overheads

c) distribution overheads

d) works overheads

80) If total cost is Rs. 2,00,000 and sales is 120% of cost, then what is the amount of profit?

a) Rs. 10,000

b) Rs. 20,000

c) Rs. 30,000

d) Rs. 40,000

81) If total cost is Rs. 12,900 and profit is Rs. 1,100 then what is the amount of sales?

a) Rs. 11,800

b) Rs. 14,000

c) Rs. 12,000

d) Rs. 13,800

82) In a cost sheet, ‘office electricity’ will be shown under \_\_\_\_\_ :

a) administrative overheads

b) selling overheads

c) distribution overheads

d) works overheads

83) In a cost sheet, ‘rent of showroom’ will be shown under \_\_\_\_\_ :

a) administrative and office overheads

b) selling and distribution overheads

c) factory overheads

d) works overheads

84) In a cost sheet, ‘factory rent and rates’ will be shown under \_\_\_\_\_ :

a) administrative overheads

b) selling overheads

c) distribution overheads

d) works overheads

85) If the director’s fees is Rs. 60,000 and the director’s time is shared between the factory and office in the ratio of 30:70, then while preparing the cost sheet, the director’s expenses under works overheads will be \_\_\_\_\_ :

a) Rs. 18,000

b) Rs. 42,000

c) Rs. 30,000

d) Rs. 70,000

86) If the total director’s fees is Rs. 12,000 and the director’s time is shared between the factory and office in the ratio of 20:80, then while preparing the cost sheet, the director’s expenses under office and administrative overheads will be \_\_\_\_\_ :

a) Rs. 2,400

b) Rs. 9,600

c) Rs. 20,000

d) Rs. 80,000

87) If the total telephone expenses are Rs. 40,000 and 60% of Telephone Expenses relate to Office and 40% to Sales Department, then while preparing the cost sheet, the telephone expenses under office and administrative overheads will be \_\_\_\_\_ :

a) Rs. 60,000

b) Rs. 40,000

c) Rs. 16,000

d) Rs. 24,000

88) If the total telephone expenses are Rs. 90,000 and 70% of Telephone Expenses relate to Office and 30% to Sales Department, then while preparing the cost sheet, the telephone expenses under selling and distribution overheads will be \_\_\_\_\_ :

a) Rs. 70,000

b) Rs. 63,000

c) Rs. 27,000

d) Rs. 30,000

89) If total salaries is Rs. 80,000 and if salaries to be allocated to the Factory, Office and Sales Department in the ratio of 1:2:1, then salaries under works overheads will be \_\_\_\_\_ :

a) Rs. 40,000

b) Rs. 10,000

c) Rs. 20,000

d) Rs. 30,000

90) If total salaries is Rs. 1,20,000 and if salaries to be allocated to the Factory, Office and Sales Department in the ration of 3:2:1, then salaries under selling and distribution overheads will be \_\_\_\_\_ :

a) Rs. 40,000

b) Rs. 10,000

c) Rs. 20,000

d) Rs. 30,000

91) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per financial account’, then which of the following is not added?

a) Over absorbed overheads in cost accounts

b) Financial expenses / losses not debited in cost accounts

c) Opening stock undervalued in cost accounts

d) Depreciation undercharged in cost accounts

92) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per financial account’, then which of the following is added?

a) Closing stock overvalued in cost accounts

b) Over absorbed overheads in cost accounts

c) Financial expenses / losses not debited in cost accounts

d) Depreciation undercharged in cost accounts

93) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per cost account’, then which of the following is added?

a) Closing stock undervalued in financial accounts

b) Opening stock overvalued in financial accounts

c) Financial incomes/gains credited in financial accounts

d) Depreciation overcharged in financial accounts

94) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per cost account’, then which of the following is not added?

a) Financial expenses/losses debited in financial accounts

b) Closing stock undervalued in financial accounts

c) Depreciation overcharged in financial accounts

d) Opening stock undervalued in financial accounts

95) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per financial account’, then ‘Financial expenses / losses not debited in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

96) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per financial account’, then ‘Depreciation undercharged in cost accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

97) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘profit as per cost account’, then ‘Depreciation undercharged in financial accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

98) While preparing a reconciliation statement between cost accounts and financial accounts, if base is taken as ‘loss as per cost account’, then ‘Financial incomes/gains credited in financial accounts’ will be \_\_\_\_\_ :

a) added

b) subtracted

c) multiplied

d) divided

99) If printing and stationery is Rs. 4,800, salaries to office staff is 3,200, office rent is Rs. 2,000 and depreciation on machinery is 4,000 then the total of office and administrative overheads will be \_\_\_\_\_ :

a) Rs. 14,000

b) Rs. 8,000

c) Rs. 10,000

d) Rs. 9,200

100) If depreciation on delivery van is Rs. 5,000, salesmen’s salary is Rs. 2,800, factory rent and rates is Rs. 6,400 and advertisement expenses is Rs. 3,200, then the total of selling and distribution overheads will be \_\_\_\_\_ :

a) Rs. 17,400

b) Rs. 11,000

c) Rs. 7,800

d) Rs. 9,600

101) \_\_\_\_\_ is a process of recording, analyzing and reporting all of a

company's costs (both variable and fixed) related to the production of a product.

a) Financial accounting

b) Cost accounting

c) Management accounting

d) Corporate accounting

102) Since cost accounting minutely calculates the cost, selling price and profitability of product, segregation of profitable or unprofitable items or activities becomes \_\_\_\_\_ .

a) difficult

b) minimum

c) easy

d) minimal

103) Cost accounting also helps to achieve the \_\_\_\_\_ of product with highest efficiency level of operations.

a) lowest cost level

b) highest cost level

c) lowest productivity level

d) least productivity level

104) \_\_\_\_\_ show the cost, revenue, profit, production capacity, and efficiency of plant and machinery, as well as the efficiency of workers.

a) Assets

b) Liabilities

c) Incomes

d) Budgets

105) \_\_\_\_\_ is commonly defined as ‘sacrificed resource’ for a particular thing.

a) Costing

b) Cost

c) Cost accounting

d) Cost accountancy

106) If we buy a watch for $30, a number of dollars are considered to be the \_\_\_\_\_ of that watch.

a) Cost

b) Costing

c) Cost accounting

d) Cost accountancy

107) \_\_\_\_\_ is a process for determining the cost.

a) Costing

b) Cost accounting

c) Cost accountancy

d) Financial accountancy

108) \_\_\_\_\_ may be called a technique for ascertaining the cost of production of any product or service in the business organization.

a) Cost

b) Cost accountancy

c) Costing

d) Cost accounting

109) \_\_\_\_\_ is the cost of the raw material and its related cost such as procurement cost, taxes, insurance, freight inwards, etc.

a) Material cost

b) Labour cost

c) Overhead cost

d) Expenses cost

110) \_\_\_\_\_ is the salary and wages paid to the employees

a) Material cost

b) Labour cost

c) Overhead cost

d) Expenses cost

111) Any actual cost ascertained and evaluated after it has been incurred, is termed as \_\_\_\_\_ .

a) batch cost

b) joint cost

c) combined cost

d) historical cost

112) The cost which can be identified and calculated before the production of goods and services based on the cost factors and data is called a \_\_\_\_\_ .

a) historical cost

b) pre-determined cost

c) sunk cost

d) past cost

113) An actual cost which is pre-determined as per certain norms and guidelines to provide as a base for cost control, is termed as a \_\_\_\_\_.

a) operating cost

b) contract cost

c) standard cost

d) sunk cost

114) The cost of business operation presumed on the grounds of experience is known as an \_\_\_\_\_ .

a) standard cost

b) operating cost

c) combined cost

d) estimated cost

115) \_\_\_\_\_ refers to the day to day expenses incurred by an organisation to ensure uninterrupted functioning of the business.

1. Operating cost
2. Contract cost
3. Combined cost
4. Batch cost

116) The cost of entering into a contract with a buyer or seller by mutually agreeing to the terms and conditions so mentioned is called a \_\_\_\_\_.

a) combined cost

b) contract cost

c) process cost

d) operation cost

117) The combined cost involved in the production of two or more useful products simultaneously is known as the \_\_\_\_\_ .

a) process cost

b) operation cost

c) joint cost

d) sunk cost

118) The cost incurred while producing a whole lot comprising of identical products is known as \_\_\_\_\_ .

a) past cost

b) normal cost

c) abnormal cost

d) batch cost

119) The cost incurred on performing different operations in a streamlined production process is termed as a \_\_\_\_\_ .

a) process cost

b) combined cost

c) joint cost

d) contract cost

120) The cost involved in a particular business function contributing to the production process is known as \_\_\_\_\_\_ .

a) Batch cost

b) operation cost

c) Standard cost

d) Estimated cost

121) CONTRIBUTION = \_\_\_\_\_

a) SALES – VARIABLE COST

b) SALES – FIXED COST

c) SALES – PV RATIO

d) SALES – BEP SALES

122) PROFIT VOLUME RATIO = \_\_\_\_\_

a) CONTRIBUTION/ VARIABLE COST \* 100

b) CONTRIBUTION / SALES \* 100

c) CONTRIBUTION / FIXED COST \* 100

d) CONTRIBUTION / PROFIT \* 100

123) BEP (Rs) =

a) FIXED COST / CONTRIBUTION

b) FIXED COST / VARIABLE COST

c) FIXED COST / PV RATIO

d) FIXED COST / FIXED COST

124) MARGIN OF SAFETY (Rs) = \_\_\_\_\_\_

a) ACTUAL SALES- FIXED COST

b) BEP SALES – ACTUAL SALES

c) FIXED COST – ACTUAL SALES

d) ACTUAL SALES – BEP SALES

125) PROFIT = \_\_\_\_\_

1. MARGIN OF SAFETY \* PV RATIO
2. PV RATIO \* MARGIN OF SAFETY
3. MARGIN OF SAFETY + PV RATIO
4. PV RATIO + MARGIN OF SAFETY

126) FIXED COST = \_\_\_\_\_

a) PROFIT - CONTRIBUTION

b) CONTRIBUTION - PROFIT

c) CONTRIBUTION \* PROFIT

d) PROFIT /CONTRIBUTION

127) BEP (UNITS) = \_\_\_\_\_

a) CONTRIBUTION PER UNIT / FIXED COST

b) FIXED COST \* CONTRIBUTION PER UNIT

c) FIXED COST / CONTRIBUTION PER UNIT

d) FIXED COST / SALES

128) What will be the Margin of safety (Rs) if Actual sales is Rs. 15,000 and BEP sales is Rs. 9,000 ?

a) Rs. 24,000

b) Rs. 3,000

c) Rs. 30,000

d) Rs. 6,000

129) What will be the amount of profit, if Margin of safety is Rs. 6,000 and P/V ratio is 50%?

a) Rs. 3,000

b) Rs. 5,000

c) Rs. 7,000

d) Rs. 9,000

130) What will be the required sales (in units) if fixed cost is Rs. 4,500 desired profit is Rs. 6,000 and Contribution per unit is Rs. 1.50?

a) 5,000 units

b) 7,000 units

c) 9,000 units

d) 11,000 units

131) If fixed cost is Rs. 60,000 and P/V Ratio is 20%, then Break Even Sales is \_\_\_\_\_:

1. Rs. 3,00,000
2. Rs. 5,00,000
3. Rs. 7,00,000
4. Rs. 9,00,000

132) If actual sales is Rs. 8,00,000 and BEP sales is Rs. 3,00,000 then Margin of safety is \_\_\_\_\_ :

1. Rs. 3,00,000
2. Rs. 5,00,000
3. Rs. 7,00,000
4. Rs. 9,00,000

133) Prime Cost is \_\_\_\_\_

a) Indirect Material + Works Cost + Selling Overheads

b) Direct Material + Works Cost + Administrative Overheads

c) Direct Material + Direct Labour + Direct Overheads

d) Indirect Material + Indirect Labour + Indirect Overheads

134) If Cost of sales is Rs. 5,00,000 , profit is Rs. 2,00,000 then Sales is \_\_\_\_\_

a) Rs. 2,00,000

b) Rs. 4,00,000

c) Rs. 5,00,000

d) Rs. 7,00,000

135) In Cost sheet, depreciation on Delivery Van comes under \_\_\_\_\_

1. Selling and Distribution Overheads
2. Administrative Overheads
3. Office Overheads
4. Works Cost

136) In Cost sheet, depreciation on Plant and Machinery comes under \_\_\_\_\_ :

a) Selling Overheads

b) Works Overheads

c) Administrative Overheads

d) Distribution Overheads

137) In Cost sheet, factory rent comes under \_\_\_\_\_ :

a) Selling Overheads

b) Works Overheads

c) Administrative Overheads

d) Distribution Overheads

138) In Cost sheet, rent of showroom comes under \_\_\_\_\_ :

a) Selling and distribution Overheads

b) Works Overheads

c) Administrative Overheads

d) Distribution Overheads

139) In Cost sheet, office rent comes under \_\_\_\_\_ :

a) Selling Overheads

b) Works Overheads

c) Office and Administrative Overheads

d) Distribution Overheads

140) In Cost sheet, “free samples to customers” comes under \_\_\_\_\_ :

a) Selling and distribution Overheads

b) Works Overheads

c) Administrative Overheads

d) Distribution Overheads

141) Profit on sale of Investment appears only in \_\_\_\_\_ accounts:

a) financial

b) cost

c) liability

d) expenses

142) Income Tax recovered appears only in \_\_\_\_\_ accounts:

a) cost

b) financial

c) expenses

d) liability

143) Goodwill written off appears only in \_\_\_\_\_ accounts:

a) cost

b) asset

c) financial

d) income

144) Interest on loan appears in \_\_\_\_\_ accounts:

a) cost

b) credit

c) flexible

d) financial

145) Dividend received appears in \_\_\_\_\_ accounts:

a) financial

b) cost

c) expense

d) liability

146) In Reconciliation Statement, expenses shown only in Financial Accounts are \_\_\_\_\_ :

a) added to financial profit

b) deducted from financial profit

c) ignored

d) added to costing profit

147) 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

148) Dividend paid is which type of cost?

a) Administration cost

b) Selling expenses

c) Direct cost

d) Not included in cost sheet

149) \_\_\_\_\_ expenses are not recorded in Cost Accounts.

a) Office

b) Financial

c) Direct

d) Selling

150) A reconciliation statement helps in \_\_\_\_\_ :

a) covering frauds

b) increasing frauds

c) detecting frauds

d) enhancing frauds

151) When reconciliation statement starts with financial profits then which of the following is added ?

a) Opening stock undervalued in cost accounts

b) Closing stock undervalued in cost accounts

c) Opening stock overvalued in cost accounts

d) Depreciation overcharged in cost accounts

152) When reconciliation statement starts with financial profits then which of the following is deducted ?

a) Closing stock overvalued in cost accounts

b) Opening stock overvalued in cost accounts

c) Depreciation undercharged in cost accounts

d) Opening stock undervalued in cost accounts

153) When reconciliation statement starts with financial loss then which of the following is added ?

a) Closing stock overvalued in cost accounts

b) Opening stock undervalued in cost accounts

c) Closing stock undervalued in cost accounts

d) Depreciation undercharged in cost accounts

154) When reconciliation statement starts with financial profits then which of the following is deducted ?

a) Closing stock undervalued in cost accounts

b) Opening stock overvalued in cost accounts

c) Depreciation overcharged in cost accounts

d) Depreciation undercharged in cost accounts

155) When reconciliation statement starts with cost profits then which of the following is added ?

a) Closing stock overvalued in financial accounts

b) Closing stock undervalued in financial accounts

c) Opening stock overvalued in financial accounts

d) Depreciation overcharged in financial accounts

156) When reconciliation statement starts with cost profits then which of the following is deducted ?

a) Closing stock overvalued in financial accounts

b) Depreciation overcharged in financial accounts

c) Opening stock undervalued in financial accounts

d) Over absorbed overheads in cost accounts

157) When reconciliation statement starts with cost loss then which of the following is added ?

a) Closing stock overvalued in financial accounts

b) Opening stock undervalued in financial accounts

c) Closing stock undervalued in financial accounts

d) Depreciation undercharged in financial accounts

158) When reconciliation statement starts with cost loss then which of the following is deducted ?

a) Closing stock undervalued in financial accounts

b) Opening stock overvalued in financial accounts

c) Depreciation overcharged in financial accounts

d) Over absorbed overheads in cost accounts

159) If Sales is Rs. 5,000, variable cost is Rs. 2,500 then Contribution is \_\_\_\_\_

a) Rs. 2,500

b) Rs. 7,500

c) Rs. 5,000

d) Rs. 2,500

160) If fixed cost is Rs. 4,500 and contribution per unit is Rs. 1.50 then BEP in units is \_\_\_\_\_

a) 4,500 units

b) 3,000 units

c) 1,500 units

d) 2,500 units

161) If BEP (units) is 3,000 units and Selling price per unit is Rs. 3 then then BEP (Rs) is \_\_\_\_\_

a) Rs. 3,000

b) Rs. 1,000

c) Rs. 9,000

d) Rs. 6,000

162) MOS stand for :

a) Maximum of Safety

b) Minimum of Safety

c) Mixture of Safety

d) Margin of Safety

163) BEP stands for :

a) Break-Even Point

b) Below-Even Point

c) Binary-Even Point

d) Better-Even Point

164) What is the amount of Break even sales, if fixed cost is Rs. 60,000 and P/V ratio is 20%?

a) Rs. 1,20,000

b) Rs. 3,00,000

c) Rs. 2,20,000

d) Rs. 5,00,000

165) What is the amount of Raw materials consumed, if opening stock of raw materials is Rs. 6,000, raw materials purchased is Rs. 30,000 and closing stock of raw material is Rs. 4,000?

a) Rs. 10,000

b) Rs. 36,000

c) Rs. 32,000

d) Rs. 34,000

166) If Direct material is Rs. 3,000, Direct labour is Rs. 4,000 and Direct expenses is Rs. 2,000 then Prime cost will be \_\_\_\_\_ :

a) Rs. 7,000

b) Rs. 6,000

c) Rs. 5,000

d) Rs. 9,000

167) What is the amount of Raw materials consumed, if opening stock of raw materials is Rs. 8,000, raw materials purchased is Rs. 30,000 and closing stock of raw material is Rs. 4,000?

a) Rs. 34,000

b) Rs. 38,000

c) Rs. 34,000

d) Rs. 12,000

168) If Direct material is Rs. 3,000, Direct labour is Rs. 4,000 and Direct expenses is Rs. 3,000 then Prime cost will be \_\_\_\_\_ :

a) Rs. 7,000

b) Rs. 6,000

c) Rs. 8,000

d) Rs. 10,000

169) What will be the Margin of safety (Rs) if Actual sales is Rs. 50,000 and BEP sales is Rs. 10,000 ?

a) Rs. 24,000

b) Rs. 32,000

c) Rs. 60,000

d) Rs. 40,000

170) If actual sales is Rs. 80,000 and BEP sales is Rs. 30,000 then Margin of safety is \_\_\_\_\_ :

1. Rs. 30,000
2. Rs. 50,000
3. Rs. 70,000
4. Rs. 90,000

171) If Cost of sales is Rs. 50,000, profit is Rs. 20,000 then Sales is \_\_\_\_\_

a) Rs. 20,000

b) Rs. 40,000

c) Rs. 50,000

d) Rs. 70,000

172) In a cost sheet, Factory rent comes under \_\_\_\_\_

a) Works overheads

b) Office and administrative overheads

c) Selling overheads

d) Distribution overheads

173) If cost of production is Rs. 10,000, opening stock of finished goods is Rs. 5,000 and closing stock of finished goods is Rs. 2,000 then Cost of Goods sold is \_\_\_\_\_

a) Rs. 15,000

b) Rs. 13,000

c) Rs. 7,000

d) Rs. 12,000

174) If cost of production is Rs. 20,000, opening stock of finished goods is Rs. 15,000 and closing stock of finished goods is Rs. 5,000 then Cost of Goods sold is \_\_\_\_\_

a) Rs. 35,000

b) Rs. 30,000

c) Rs. 20,000

d) Rs. 25,000

175) In a cost sheet, Salesmen’s salary comes under \_\_\_\_\_

a) Works overheads

b) Office overheads

c) Selling and Distribution overheads

d) Administrative overheads

176) If depreciation on plant is Rs. 10,000, depreciation on delivery van is Rs, 12,000 and salesmen’s salary is Rs. 10,000 then the total of Selling and Distribution overheads is \_\_\_\_\_

a) Rs. 20,000

b) Rs. 32,000

c) Rs. 42,000

d) Rs. 22,000

177) If depreciation on plant is Rs. 40,000, depreciation on delivery van is Rs, 22,000 and salesmen’s salary is Rs. 10,000 then the total of Selling and Distribution overheads is \_\_\_\_\_

a) Rs. 62,000

b) Rs. 50,000

c) Rs. 42,000

d) Rs. 32,000

178) If Printing and stationery charges are Rs. 20,000, audit fees is Rs, 10,000 and Depreciation on delivery van is Rs, 5,000 then the total of Office and Administrative overheads is \_\_\_\_\_

a) Rs. 30,000

b) Rs. 25,000

c) Rs. 15,000

d) Rs. 40,000

179) If Printing and stationery charges are Rs. 2,00,000, audit fees is Rs 1,00,000 and Depreciation on delivery van is Rs, 50,000 then the total of Office and Administrative overheads is \_\_\_\_\_

a) Rs. 3,00,000

b) Rs. 1,50,000

c) Rs. 2,50,000

d) Rs. 3,50,000

180) If Fuel is Rs. 10,000, Factory rent is Rs. 20,000 and depreciation on delivery van is Rs. 5,000 then the total of Works overheads is \_\_\_\_\_

a) Rs. 35,000

b) Rs. 30,000

c) Rs. 15,000

d) Rs. 25,000

181) If Fuel is Rs. 1,000, Factory rent is Rs. 2,000 and depreciation on delivery van is Rs. 5,000 then the total of Works overheads is \_\_\_\_\_

a) Rs. 1,500

b) Rs. 3,000

c) Rs. 2,500

d) Rs. 2,500

182) What is the amount of profit if Margin of safety is Rs. 6,000 and P/V ratio is 50%?

a) Rs. 3,000

b) Rs. 9,000

c) Rs. 6,000

d) Rs. 12,000

183) What is the amount of profit if Margin of safety is Rs. 8,000 and P/V ratio is 50%?

a) Rs. 4,000

b) Rs. 12,000

c) Rs. 4,500

d) Rs. 2,500

184) CPU stands for :

a) Cost Per Utility

b) Contribution Per Unit

c) Contribution Per Utility

d) Credit Per Unit

185) If contribution per unit is Rs. 100, selling price per unit is Rs. 200, then P/V ratio is \_\_\_\_

a) 40%

b) 80%

c) 50%

d) 100%

186) If contribution per unit is Rs. 400, selling price per unit is Rs. 800, then P/V ratio is \_\_\_\_

a) 40%

b) 80%

c) 50%

d) 100%

187) Works cost + Administrative / Office overheads =

a) Scrap Value

b) Raw Materials Consumed

c) Prime Cost

d) Cost of production

188) If Works cost is Rs. 10,000 and Administrative overheads is Rs. 8,000 then Cost of Production is \_\_\_\_\_

a) Rs. 18,000

b) Rs. 2,000

c) Rs. 10,000

d) Rs. 8,000

189) If Works cost is Rs. 1,000 and Administrative overheads is Rs. 8,000 then Cost of Production is \_\_\_\_\_

a) Rs. 9,000

b) Rs. 10,000

c) Rs. 1,000

d) Rs. 8,000

190) Cost of goods sold + Sales / Distribution overheads = \_\_\_\_\_

a) Prime Cost

b) Total Cost

c) Administrative overheads

d) Office overheads

191) If Cost of goods sold is Rs. 8,000 and Distribution overheads is Rs. 18,000 then Total cost is \_\_\_\_\_

a) Rs. 10,000

b) Rs. 8,000

c) Rs. 26,000

d) Rs. 18,000

192) If Sales is Rs. 3,00,000 and selling expenses are 1/3rd of sales, then selling expenses are \_\_\_\_\_

a) Rs. 1,00,000

b) Rs. 9,00,000

c) Rs. 3,30,000

d) Rs. 9,90,000

193) If Sales is Rs. 9,00,000 and selling expenses are 1/3rd of sales, then selling expenses are \_\_\_\_\_

a) Rs. 3,00,000

b) Rs. 4,50,000

c) Rs. 3,50,000

d) Rs. 4,00,000

194) If Sales is Rs. 5,00,000 and adminstrative expenses are 50% of sales, then adminstrative expenses are \_\_\_\_\_

a) Rs. 7,50,000

b) Rs. 2,50,000

c) Rs. 7,00,000

d) Rs. 2,00,000

195) If Sales is Rs. 8,00,000 and adminstrative expenses are 50% of sales, then adminstrative expenses are \_\_\_\_\_

a) Rs. 16,00,000

b) Rs. 4,00,000

c) Rs. 6,00,000

d) Rs. 2,00,000

196) If Sales is Rs. 9,00,000 and office expenses are 40% of sales, then office expenses are \_\_\_\_\_

a) Rs. 3,60,000

b) Rs. 3,20,000

c) Rs. 4,80,000

d) Rs. 4,20,000

197) If Sales is Rs. 8,00,000 and office expenses are 40% of sales, then office expenses are \_\_\_\_\_

a) Rs. 3,20,000

b) Rs. 1,60,000

c) Rs. 3,60,000

d) Rs. 1,20,000

198) If Cost of sales is Rs. 40,000, profit is Rs. 20,000 then Sales is \_\_\_\_\_

a) Rs. 20,000

b) Rs. 40,000

c) Rs. 50,000

d) Rs. 60,000

199) If Cost of sales is Rs. 4,00,000 , sales is Rs. 5,00,000 then Profit is \_\_\_\_\_

a) Rs. 1,00,000

b) Rs. 9,00,000

c) Rs. 4,00,000

d) Rs. 5,00,000

200) If Cost of sales is Rs. 8,00,000 , sales is Rs. 10,00,000 then Profit is \_\_\_\_\_

a) Rs. 2,00,000

b) Rs. 18,00,000

c) Rs. 8,00,000

d) Rs. 10,00,000