

2017

(3rd Semester)

COMMERCE

Paper No. : BC-304

(Cost Accounting)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

1. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) Costing and Cost Accounting are the same.

(T / F)

(b) First-in first-out method of valuing material issues is suitable in times of rising prices.

(T / F)

(c) Direct labour hour rate of absorption of overhead is suitable where most of the production is done by using machines.

(T / F)

(d) Job costing helps the management in controlling cost by comparing the actual costs with the estimated costs.

(T / F)

(e) In process costing, ordinarily no distinction is made between direct and indirect materials.

(T / F)

2. Choose the correct answer and place its code in the box provided : 1×5=5

(a) Prime cost includes

(i) Direct Material + Direct Labour + Works Expenses

(ii) Direct Material + Direct Labour + Chargeable Expenses

(iii) Direct Material + Direct Labour + Office Overheads

(iv) None of the above

(b) In case of inflation, which of the following methods of valuing material issues will give the lowest profit?

(i) FIFO

(ii) LIFO

(iii) HIFO

(iv) Simple Average Price

(3)

(c) Overhead cost is the aggregate of indirect material cost, indirect wages and

- (i) direct expenses
 - (ii) indirect expenses
 - (iii) both direct expenses and indirect expenses
 - (iv) None of the above
-

(d) If the amount of work certified is less than _____ of the contract price, then no profit should be taken to Profit & Loss A/c.

- (i) 20%
 - (ii) 50%
 - (iii) 25%
 - (iv) 75%
-

(e) Where actual loss in a process is less than the anticipated loss, the difference between the two is considered to be

- (i) abnormal gain
 - (ii) abnormal loss
 - (iii) normal loss
 - (iv) None of the above
-

3. Fill in the blanks :

1×5=5

(a) costs are partly fixed and partly variable in relation to output.

(b) Bin card is maintained by

(c) Machine hour rate is obtained by dividing the total running expenses of a machine during a particular period by the the machine is estimated to work during the period.

(d) The costing is used in printing industry.

(e) Where raw material is to pass certain stages before it is converted into finished goods, the method of costing used is

(5)

4. Write on/Answer the following in 4 or 5 sentences
each : 2×5=10

(a) Opportunity cost

(6)

(b) Economic order quantity

(7)

(c) What is the difference between allocation and apportionment of overheads?

(d) What is notional profit?

(e) What is inter-process profit?