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(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) Cost Accounting records both monetary and in physical unit.

    (*T* / *F*)

    (b) Normal loss of material is avoidable.

    (*T* / *F*)

    (c) Fixed expenses will move up by jump if the outputs exceed the installed capacity.

    (*T* / *F*)

(d) In batch costing, a group of identical products is treated as a job.

(T / F)

(e) When two or more products of equal importance are produced, these are known as by-products.

(T / F)

2. Fill in the blanks : 1×5=5

(a) The costing method used by oil refinery is

....

(b) Under piece-rate system of wage, payment is made according to the

....

(c) Basis of apportionment of creche expenses

is ....

(d) In contract costing payment of cash to the contractor is made on the basis of

.... work.

(e) The abnormal gain is taken to ....

.... Account.

3. Put a Tick (✓) mark against the correct answer in the brackets provided :   1×5=

(a) The total of all direct expenses is known as

(i) work cost   (   )

(ii) cost of production   (   )

(iii) prime cost   (   )

(b) When price fluctuates considerably, the most suitable method of valuing material issue is

(i) LIFO   (   )

(ii) FIFO   (   )

(iii) average cost method   (   )

(4)

(c) Telephone expense is a

    (i) variable cost ( )

    (ii) semi-variable cost ( )

    (iii) fixed cost ( )

(d) When the completion stage of a contract is less than $\frac{1}{4}$, the total expenditure on the contract is transfer to

    (i) Work-in-progress A/c ( )

    (ii) Contract A/c ( )

    (iii) Profit and Loss A/c ( )

(e) In process costing, production is undertaken

    (i) on specific order ( )

    (ii) on mass and continuous basis ( )

    (iii) for different units separately ( )

4. Write short notes on :   2×5=

    (a) Advantages of cost accounting

(b) Taylor's differential piece-rate system

(c) Apportionment of overhead

(d) Economic order quantity

(e) Process losses

★ ★ ★