

Cost Accounting

1. A. Match the following (any 8) :

Column I	Column II
1 . Design specification	a) Benefits from uniform cost
2. Target cost	b) Individual item of material
3. Maturity	c) Under absorption of overhead
4. Equivalent units	d) Stagy lee in life
5. Store ledger	e) Initial cost
6. Overhead adjustment a/c	f) Fixed cost
7. Work in process	g) Actual no. of units X stage of completion
8. Insurance	h) Desired profit
9. Mutual trust	i) Raw material in processing stage
10. Healthy competition	j) Essence of uniform costing
11. Stores ledger	k)Deals with wages
12. Finished goods control A/c	l)Finished stock intended for sale
13. Wages control A/c	m)Individual items of material
14. WIP	n)Added to cost to get weighted Average
15. Equivalent units	o)Charged to output
16. Cost of Normal Loss	p)Production ×stage of completion
17. Cost of opening WIP	q)LIFO Method
18. Set up cost	r)A system that uses multiple cost drivers
19. Purchase cost	s)No. of computer transaction
20. ATM sevice	t)No. of ATM Transaction
21. Computer processing	u)No. of purchase order
22. ABC	v)No of production units

{Ans. (1 - e), (2 - h), (3 - d), (4 - g), (5 - b), (7 - i), (8 - f), (9 - a), (10 - j), (11- m), (12- l),(13-k), (14-q),(15- P),(16-o),(17-n), (18-v),(19-u), (20-t), (21-s),(22-r)

B. State whether the following statement are True or False (Any 7):

1. Inter firm comparison does not maximum profitable.
2. Under Integrated system General ledger Adjustment A/c show real accounts.
3. Equivalent units are units equal to input.
4. Target costing is a method of costing.
5. There is no difference between operating costing and process costing.
6. Overhauling is running cost.
7. Under Non-integrated system Cost A/c and Financial A/c maintained separately.
8. Under Non-integrated system finished good ledger shows cost of finished goods.

9. ABC is a technique of allocation of common cost.
10. In operating costing, cost of petrol is running cost.
11. ABC is traditional system of cost allocation.
12. cost driver may be structural.
13. ABC provides more accurate information.
14. reduction of set up time reduce cost.
15. reduction of direct labour reduces cost.
16. Insurance is a fixed cost.
17. drivers salary is variable cost.
18. Unit cost for gas companies is per ton.
19. Normal loss is controllable.
20. No separate A/c is maintained for each process

{Ans. True : 4, 7, 8, 9, 10,11,12,13,14,15,16 ; False : 1, 2, 3, 5, 6,17,18, 19,20}

2. Fill in the blanks with proper word/s :

1. The objective of uniform costing to maximize.....
2. Uniform costing removes..... Competition.
3. is the essence of uniform costing
4.show information about costing system.
5. Uniform costing help to control.....
6. The objective of Inter comparison is.....
7. ABC focuses on.....
8. The activity that generates cost is a.....
9. Material handling is.....
10. Abc uses Cost drivers
11. Scrap of normal loss is..... to process A/c.
12. Cost of normal loss charged to.....
13. Equivalent units are calculated on the basis of of.....
14. Operating costing is also known as Costing
15. Cost of services is decided by cost.....
16. Unit cost of tourist Co.....
17. Accounts makes cost ledger self balancing.
18. Finance expenses are not considered in..... Accounting.
19. account is not needed to be opened in Integral accounting system..
20. In..... entry system of accounting, for every debit there is a corresponding credit.

{Ans. (1) Profit, (2) cut throat competition, (3) Mutual relation, (4) uniform cost manual, (5) cost, (6) increase in productivity 7 Activities, 8 Cost drivers, 9 pool, 10)

Multiple,11) credited,12) Output, 13)Degree completion,14) services,15) sheet,16) per passenger km.}

3. Multiple Choice Questions:

1. Uniform costing is a
 - a) **System of costing**
 - b) Technique of costing
 - c) Method of costing
2. Uniform costing.
 - a) Does not remove cut throat competition among the members.
 - b) **Removes cut throat competition among the members.**
 - c) Does not provide reliable data.
3. Uniform costing help in.
 - a) **Installation of costing system**
 - b) Installation of machinery
 - c) Installation of equipment
4. Normal loss is.....
 - a) Debited to process A/c
 - b) **Credited to process A/c**
 - c) Ignored
 - d) None of the above
5. Abnormal gain is valued at
 - a) Cost of input
 - b) **Cost of output**
 - c) Standard cost
 - d) Market value
6. Operating costing is applicable to
 - a) Transport companies
 - b) Electricity companies
 - c) Cinemas
 - d) **All of the above**
7. Cost of services is ascertained by preparing
 - a) **Cost sheet**
 - b) Production A/c
 - c) Process A/c
 - d) Job cost sheet
8. Cost drivers may be
 - a) Structural
 - b) Organisational cost drivers
 - c) Activity
 - d) **All of the above**

