

EXECUTIVE PROGRAMME
COST AND MANAGEMENT ACCOUNTING

SAMPLE TEST PAPER

(This test paper is for practice and self study only and not to be sent to the institute)

Time allowed: 3 hours

Maximum marks : 100

[Attempt all questions. Each question carries 1 mark. There is no negative mark for incorrect answers.]

Q.1. Which of these is not an objective of Cost Accounting?

- (a) Ascertainment of Cost
- (b) Determination of Selling Price
- (c) Cost Control and Cost reduction
- (d) Assisting Shareholders in decision making

Q.2. A profit centre is a centre

- (a) Where the manager has the responsibility of generating and maximising profits
- (b) Which is concerned with earning an adequate Return on Investment
- (c) Both of the above
- (d) Which manages cost

Q.3. Responsibility Centre can be categorised into:

- (a) Cost Centres only
- (b) Profit Centres only
- (c) Investment Centres only
- (d) Cost Centres, Profit Centres and Investment Centres

Q.4. Cost Unit is defined as:

- (a) Unit of quantity of product, service or time in relation to which costs may be ascertained or expressed
- (b) A location, person or an item of equipment or a group of these for which costs are ascertained and used for cost control.
- (c) Centres having the responsibility of generating and maximising profits
- (d) Centres concerned with earning an adequate return on investment

Q.5. Fixed cost is a cost:

- (a) Which changes in total in proportion to changes in output
- (b) which is partly fixed and partly variable in relation to output
- (c) Which do not change in total during a given period despite changes in output
- (d) which remains same for each unit of output

Q.6. Uncontrollable costs are the costs which be influenced by the action of a specified member of an undertaking.

- (a) can not
- (b) can
- (c) may or may not
- (d) must

Q.7. Element/s of Cost of a product are:

- (a) Material only
- (b) Labour only
- (c) Expenses only
- (d) Material, Labour and expenses

Q.8. Abnormal cost is the cost:

- (a) Cost normally incurred at a given level of output
- (b) Cost not normally incurred at a given level of output
- (c) Cost which is charged to customer
- (d) Cost which is included in the cost of the product

Q.9. Conversion cost includes cost of converting.....into.....

- (a) Raw material, WIP
- (b) Raw material, Finished goods
- (c) WIP, Finished goods
- (d) Finished goods, Saleable goods

Q.10. Sunk costs are:

- (a) relevant for decision making
- (b) Not relevant for decision making
- (c) cost to be incurred in future
- (d) future costs

Q.11. Describe the method of costing to be applied in case of Nursing Home:

- (a) Operating Costing
- (b) Process Costing
- (c) Contract Costing
- (d) Job Costing

Q.12. Describe the cost unit applicable to the Bicycle industry:

- (a) per part of bicycle

- (b) per bicycle
- (c) per tonne
- (d) per day

Q.13. Calculate the prime cost from the following information:

Direct material purchased: Rs. 1,00,000

Direct material consumed: Rs. 90,000

Direct labour: Rs. 60,000

Direct expenses: Rs. 20,000

Manufacturing overheads: Rs. 30,000

- (a) Rs. 1,80,000
- (b) Rs. 2,00,000
- (c) Rs. 1,70,000
- (d) Rs. 2,10,000

Q. 14. Total cost of a product: Rs. 10,000

Profit: 25% on Selling Price

Profit is:

- (a) Rs. 2,500
- (b) Rs. 3,000
- (c) Rs. 3,333
- (d) Rs. 2,000

Q.15. Calculate cost of sales from the following:

Net Works cost: Rs. 2,00,000

Office & Administration Overheads: Rs. 1,00,000

Opening stock of WIP: Rs. 10,000

Closing Stock of WIP: Rs. 20,000

Closing stock of finished goods: Rs. 30,000

There was no opening stock of finished goods.

Selling overheads: Rs. 10,000

- (a) Rs. 2,70,000
- (b) Rs. 2,80,000
- (c) Rs. 3,00,000
- (d) Rs. 3,20,000

Q.16. Calculate value of closing stock from the following:

Opening stock of finished goods (500 units) : Rs. 2,000

Cost of production (10000 units) : Rs. 50,000

Closing stock (1000 units):?

- (a) Rs. 4,000
- (b) Rs. 4,500
- (c) Rs. 5,000
- (d) Rs. 6,000

Q. 17. Which of these is not a Material control technique:

- (a) ABC Analysis
- (b) Fixation of raw material levels
- (c) Maintaining stores ledger
- (d) Control over slow moving and non moving items

Q.18. Out of the following, what is not the work of purchase department:

- (a) Receiving purchase requisition
- (b) Exploring the sources of material supply
- (c) Preparation and execution of purchase orders
- (d) Accounting for material received

Q.19. Bin Card is a

- (a) Quantitative as well as value wise records of material received, issued and balance;
- (b) Quantitative record of material received, issued and balance
- (c) Value wise records of material received, issued and balance
- (d) a record of labour attendance

Q.20. Stores Ledger is a:

- (a) Quantitative as well as value wise records of material received, issued and balance;
- (b) Quantitative record of material received, issued and balance
- (c) Value wise records of material received, issued and balance
- (d) a record of labour attendance

Q.21. Re-order level is calculated as:

- (a) Maximum consumption x Maximum re-order period
- (b) Minimum consumption x Minimum re-order period
- (c) $\frac{1}{2}$ of (Minimum + Maximum consumption)
- (d) Maximum level - Minimum level

Q.22. Economic order quantity is that quantity at which cost of holding and carrying inventory is:

- (a) Maximum and equal
- (b) Minimum and equal

- (c) It can be maximum or minimum depending upon case to case.
- (d) Minimum and unequal

Q.23. ABC analysis is an inventory control technique in which:

- (a) Inventory levels are maintained
- (b) Inventory is classified into A, B and C category with A being the highest quantity, lowest value.
- (c) Inventory is classified into A, B and C Category with A being the lowest quantity, highest value
- (d) Either b or c.

Q.24. Which one out of the following is not an inventory valuation method?

- (a) FIFO
- (b) LIFO
- (c) Weighted Average
- (d) EOQ

Q.25. In case of rising prices (inflation), FIFO method will:

- (a) provide lowest value of closing stock and profit
- (b) provide highest value of closing stock and profit
- (c) provide highest value of closing stock but lowest value of profit
- (d) provide highest value of profit but lowest value of closing stock

Q.26. In case of rising prices (inflation), LIFO will:

- (a) provide lowest value of closing stock and profit
- (b) provide highest value of closing stock and profit
- (c) provide highest value of closing stock but lowest value of profit
- (d) provide highest value of profit but lowest value of closing stock

Q.27. Calculate Re-order level from the following:

Consumption per week: 100-200 units

Delivery period: 14-28 days

- (a) 5600 units
- (b) 800 units
- (c) 1400 units
- (d) 200 units

Q.28. Calculate EOQ (approx.) from the following details:

Annual Consumption: 24000 units

Ordering cost: Rs. 10 per order

Purchase price: Rs. 100 per unit

Carrying cost: 5%

- (a) 310
- (b) 400
- (c) 290
- (d) 300

Q.29. Calculate the value of closing stock from the following according to FIFO method:

1st January, 2014: Opening balance: 50 units @ Rs. 4

Receipts:

5th January, 2014: 100 units @ Rs. 5

12th January, 2014: 200 units @ Rs. 4.50

Issues:

2nd January, 2014: 30 units

18th January, 2014: 150 units

- (a) Rs. 765
- (b) Rs. 805
- (c) Rs. 786
- (d) Rs. 700

Q.30. Calculate the value of closing stock from the following according to LIFO method:

1st January, 2014: Opening balance: 50 units @ Rs. 4

Receipts:

5th January, 2014: 100 units @ Rs. 5

12th January, 2014: 200 units @ Rs. 4.50

Issues:

2nd January, 2014: 30 units

18th January, 2014: 150 units

- (a) Rs. 765
- (b) Rs. 805
- (c) Rs. 786
- (d) Rs. 700

Q.31. Calculate the value of closing stock from the following according to Weighted Average method:

1st January, 2014: Opening balance: 50 units @ Rs. 4

Receipts:

5th January, 2014: 100 units @ Rs. 5

12th January, 2014: 200 units @ Rs. 4.50

Issues:

2nd January, 2014: 30 units

18th January, 2014: 150 units

- (a) Rs. 765
- (b) Rs. 805
- (c) Rs. 786
- (d) Rs. 700

Q.32. Cost of abnormal wastage is:

- (a) Charged to the product cost
- (b) Charged to the profit & loss account
- (c) charged partly to the product and partly profit & loss account
- (d) not charged at all.

Q.33. Calculate re-order level from the following:

Safety stock: 1000 units

Consumption per week: 500 units

It takes 12 weeks to reach material from the date of ordering.

- (a) 1000 units
- (b) 6000 units
- (c) 3000 units
- (d) 7000 units

Q.34. From the following information, calculate the extra cost of material by following EOQ:

Annual consumption: = 45000 units

Ordering cost per order: = Rs. 10

Carrying cost per unit per annum: = Rs. 10

Purchase price per unit = Rs. 50

Re-order quantity at present = 45000 units

There is discount of 10% per unit in case of purchase of 45000 units in bulk.

- (a) No saving
- (b) Rs. 2,00,000
- (c) Rs. 2,22,010
- (d) Rs. 2,990

Q.35. Which of the following is an abnormal cause of Idle time:

- (a) Time taken by workers to travel the distance between the main gate of factory and place of their work
- (b) Time lost between the finish of one job and starting of next job
- (c) Time spent to meet their personal needs like taking lunch, tea etc.

- (d) Machine break downs

Q.36. If overtime is resorted to at the desire of the customer, then the overtime premium:

- (a) should be charged to costing profit and loss account;
- (b) should not be charged at all
- (c) should be charged to the job directly
- (d) should be charged to the highest profit making department

Q.37. Labour turnover means:

- (a) Turnover generated by labour
- (b) Rate of change in composition of labour force during a specified period
- (c) Either of the above
- (d) Both of the above

Q.38. Which of the following is not an avoidable cause of labour turnover:

- (a) Dissatisfaction with Job
- (b) Lack of training facilities
- (c) Low wages and allowances
- (d) Disability, making a worker unfit for work

Q.39. Costs associated with the labour turnover can be categorised into:

- (a) Preventive Costs only
- (b) Replacement costs only
- (c) Both of the above
- (d) Machine costs

Q.40. Calculate workers left and discharged from the following:

Labour turnover rates are 20%, 10% and 6% respectively under Flux method, Replacement method and Separation method. No. of workers replaced during the quarter is 80.

- (a) 112
- (b) 80
- (c) 48
- (d) 64

Q.41. Calculate workers recruited and joined from the following:

Labour turnover rates are 20%, 10% and 6% respectively under Flux method, Replacement method and Separation method. No. of workers replaced during the quarter is 80.

- (a) 112
- (b) 80

- (c) 48
- (d) 64

Q.42. Calculate the labour turnover rate according to replacement method from the following:

No. of workers on the payroll:

- At the beginning of the month: 500
- At the end of the month: 600

During the month, 5 workers left, 20 workers were discharged and 75 workers were recruited. Of these, 10 workers were recruited in the vacancies of those leaving and while the rest were engaged for an expansion scheme.

- (a) 4.55%
- (b) 1.82%
- (c) 6%
- (d) 3%

Q.43. Calculate the labour turnover rate according to Separation method from the following:

No. of workers on the payroll:

- At the beginning of the month: 500
- At the end of the month: 600

During the month, 5 workers left, 20 workers were discharged and 75 workers were recruited. Of these, 10 workers were recruited in the vacancies of those leaving and while the rest were engaged for an expansion scheme.

- (a) 4.55%
- (b) 1.82%
- (c) 6%
- (d) 3%

Q.44. A worker is allowed 60 hours to complete the job on a guaranteed wage of Rs. 10 per hour. Under the Rowan Plan, he gets an hourly wage of Rs. 12 per hour. For the same saving in time, how much he will get under the Halsey Plan?

- (a) Rs. 720
- (b) Rs. 540
- (c) Rs. 600
- (d) Rs. 900

Q.45. Overhead refers to:

- (a) Direct or Prime Cost
- (b) All Indirect costs
- (c) only Factory indirect costs

- (d) Only indirect expenses

Q.46. Allotment of whole item of cost to a cost centre or cost unit is known as:

- (a) Cost Apportionment
- (b) Cost Allocation
- (c) Cost Absorption
- (d) Machine hour rate

Q. 47. Which of the following is not a method of cost absorption?

- (a) Percentage of direct material cost
- (b) Machine hour rate
- (c) Labour hour rate
- (d) Repeated distribution method

Q.48. Service departments costs should be allocated to:

- (a) Only Service departments
- (b) Only Production departments
- (c) Both Production and service departments
- (d) None of the production and service departments

Q.49. Most suitable basis for apportioning insurance of machine would be:

- (a) Floor Area
- (b) Value of Machines
- (c) No. of Workers
- (d) No. of Machines

Q. 50. Blanket overhead rate is:

- (a) One single overhead absorption rate for the whole factory
- (b) Rate which is blank or nil rate
- (c) rate in which multiple overhead rates are calculated for each production department, service department etc.
- (d) Always a machine hour rate

Q.51. AT Co makes a single product and is preparing its material usage budget for next year. Each unit of product requires 2kg of material, and 5,000 units of product are to be produced next year.

Opening inventory of material is budgeted to be 800 kg and AT co budgets to increase material inventory at the end of next year by 20%

The material usage budget for next year is

- (a) 8,000 Kg

- ((b) 9,840 kg
- ((c) 10,000 Kg
- (d) 10,160 Kg

Q.52. During a period 17, 500 labour hours were worked at a standard cost of Rs 6.50 per hour. The labour efficiency variance was Rs 7,800 favourable. How many standard hours were produced?

- (a) 1,200
- (b) 16,300
- (c) 17,500
- (d) 18,700

Q.53. Which of the following is not a reason for an idle time variance?

- (a) Wage rate increase
- (b) Machine breakdown
- (c) Illness or injury to worker
- (d) Non- availability of material

Q.54. During September, 300 labour hours were worked for a total cost of Rs 4800. The variable overhead expenditure variance was Rs 600 (A). Overheads are assumed to be related to direct labour hours of active working.

What was the standard cost per labour hour?

- (a) Rs 14
- (b) Rs 16.50
- (c) Rs 17.50
- (d) Rs 18

Q.55. Which of the following would explain an adverse variable production overhead efficiency variance?

1. Employees were of a lower skill level than specified in the standard
 2. Unexpected idle time resulted from a series of machine breakdown
 3. Poor Quality material was difficult to process
- (a) (1), (2) and (3)
 - (b) (1) and (2)
 - (c) (2) and (3)
 - (d) (1) and (3)

Q.56. Budgeted sales of X for March are 18000 units. At the end of the production process for X, 10% of production units are scrapped as defective. Opening inventories of X for March are budgeted to be 15000 units and closing inventories will be 11,400 units. All inventories of finished goods must have successfully passed the quality control check. The production budget for X for March, in units is:

- (a) 12,960
- (b) 14,400
- (c) 15,840
- (d) 16,000

Q.57. CG Co manufactures a single product T. Budgeted production output of product T during June is 200 units. Each unit of product T requires 6 labour hours for completion and CG Co anticipates 20 per cent idle time. Labour is paid at a rate of Rs7 per hour. The direct labour cost budget for March is

- (a) Rs 6,720
- (b) 8,400
- (c) 10,080
- (d) 10,500

Q.58. A Local Authority is preparing cash Budget for its refuse disposal department. Which of the following items would not be included in the cash budget?

- (a) Capital cost of a new collection vehicle
- (b) Depreciation of the machinery
- (c) Operatives wages
- (d) Fuel for the collection Vehicles

Q.59. BDL Ltd. is currently preparing its cash budget for the year to 31 March 2014. An extract from its sales budget for the same year shows the following sales values.

	Rs
March	60,000
April	70,000
May	55,000
June	65,000

40% of its sales are expected to be for cash. Of its credit sales, 70% are expected to pay in month after sale and take a 2% discount. 27% are expected to pay in the second month after the sale, and the remaining 3% are expected to be bad debts. The value of sales budget to be shown in the cash budget for May 2013 is

- (a) Rs 60,532
- (b) Rs 61,120
- (c) Rs 66,532
- (d) Rs 86,620

Q.60. The actual output of 162,500 units and actual fixed costs of Rs. 87000 were exactly as budgeted. However, the actual expenditure of Rs 300,000 was Rs. 18,000 over budget. What was the budget variable cost per unit?

- (a) Rs 1.20
- (b) Rs 1.31
- (c) Rs1.42
- (d) Rs 1.50

Q.61. CA Co manufactures a single product and has drawn up the following flexed budget for the year.

	60%	70%	80%
	Rs	Rs	Rs
Direct materials	120,000	140,000	160,000
Direct labour	90,000	105,000	120,000
Production overheads	54,000	58,000	62,000
Other overheads	40,000	40,000	40,000
Total Cost	<u>304,000</u>	<u>343,000</u>	<u>382,000</u>

What would be the total cost in a budget that is prepared at the 77% level of activity?

- (a) Rs 330,300
- (b) Rs 370,300
- (c) Rs 373,300
- (d) Rs 377,300

Q.62. A Ltd is a manufacturing company that has no production resource limitations for the foreseeable future. The Managing Director has asked the company managers to coordinate the preparation of their budgets for the next financial year. In what order should the following budgets be prepared?

- (1) Sales budget
 - (2) Cash budget
 - (3) Production budget
 - (4) Purchase budget
 - (5) Finished goods inventory budget
- (a) (2), (3), (4), (5), (1)
 - (b) (1), (5), (3), (4), (2)
 - (c) (1), (4), (5), (3), (2)
 - (d) (4), (5), (3), (1), (2)

Q.63. S produces and sells one product, P, for which the data are as follows:

Selling price	Rs 28
Variable cost	Rs 16
Fixed cost	Rs 4

The fixed costs are based on a budgeted production and sales level of 25,000 units for the next period.

Due to market changes both the selling price and the variable cost are expected to increase above the budgeted level in the next period.

If the selling price and variable cost per unit increase by 10% and 8% respectively, by how much must sales volume change, compared with the original budgeted level, in order to achieve the original budgeted profit for the period?

- (a) 10.1% decrease
- (b) 11.2% decrease
- (c) 13.3% decrease
- (d) 16.0% decrease

Q.64. In process costing, a joint product is

- (a) a product which is later divided into many parts
- (b) a product which is produced simultaneously with other products and is of similar value to at least one of the other products.
- (c) A product which is produced simultaneously with other products but which is of a greater value than any of the other products.
- (d) a product produced jointly with another organization

Q.65. Process B had no opening inventory. 13,500 units of raw material were transferred in at Rs 4.50 per unit. Additional material at Rs1.25per unit was added in process. Labour and overheads were Rs 6.25 per completed unit and Rs 2.50 per unit incomplete.

If 11,750completed units were transferred out, what was the closing inventory in Process B?

- (a) Rs. 6562.50
- (b) Rs. 12,250.00
- (c) Rs. 14,437.50
- (d) Rs. 25,375.00

Q.66. A process costing system for J Co used an input of 3,500Kg of materials at Rs20 per Kg and labour hours of 2,750 at Rs25 per hour. Normal loss is 20% and losses can be sold at a scrap value of Rs5per Kg. Output was 2,950 Kg. What is the value of the output?

- (a) Rs 142,485
- (b) Rs 146,183
- (c) Rs 149,746
- (d) Rs 152,986

Q.67. In process costing, if an abnormal loss arises, the process account is generally

- (a) Debited with the scrap value of the abnormal loss units
- (b) Debited with the full production cost of the abnormal loss units
- (c) Credited with the scrap value of the abnormal loss units

(d) Credited with the full production cost of the abnormal loss units

Q.68. Which of the following statements is/are correct?

1. A materials requisition note is used to record the issue of direct material to a specific job.
 2. A typical job cost will contain actual costs for material, labour and production overheads, and non –production overheads are often added as a percentage of total production cost
 3. The job costing method can be applied in costing batches
- (a) (1) only
(b) (1) and (2) only
(c) (1) and (3) only
(d) (2) and (3) only

Q.69. A job is budgeted to require 3,300 productive hours after incurring 25% idle time. If the total labour cost budgeted for the job is Rs36,300. What is the labour cost per hour(to the nearest cent)?

- (a) Rs 8.25
(b) Rs 8.80
(c) Rs 11.00
(d) Rs 14.67

Q.70. A company calculates the prices of jobs by adding overheads to the prime cost and adding 30% to total costs as a profit margin. Job number Y256 was sold for Rs1690 and incurred overheads of Rs 694. What was the prime cost of the job?

- (a) Rs 489
(b) Rs 606
(c) Rs 996
(d) Rs 1300

Q.71. State which of the following are the characteristics of service costing.

1. High levels of indirect costs as a proportion of total costs
 2. Use of composite cost units
 3. Use of equivalent units
- (a) (1) only
(b) (1) and (2) only
(c) (2) only
(d) (2) and (3) only

Q.72. Which of the following organisations should *not* be advised to use service costing?

- (a) Distribution service
(b) Hospital

- (c) Maintenance division of a manufacturing company
- (d) A light engineering company

Q.73. Calculate the most appropriate unit cost for a distribution division of a multinational company using the following information.

Miles travelled	636,500
Tonnes carried	2,479
Number of drivers	20
Hours worked by drivers	35,520
Tonnes miles carried	375,200
Cost incurred	562,800

- (a) Rs .88
- (b) Rs 1.50
- (c) Rs 15.84
- (d) Rs28, 140

Q.74. The following information is available for the W hotel for the latest thirty day period.

Number of rooms available per night	40
Percentage occupancy achieved	65%
Room servicing cost incurred	Rs. 3900

The room servicing cost per occupied room-night last period, to the nearest Rs, was:

- (a) Rs 3.25
- (b) Rs 5.00
- (c) Rs 97.50
- (d) Rs 150.00

Q.75. A company makes a single product and incurs fixed costs of Rs. 30,000 per annum. Variable cost per unit is Rs. 5 and each unit sells for Rs. 15. Annual sales demand is 7,000 units. The breakeven point is:

- (a) 2,000 units
- (b) 3,000 units
- (c) 4,000 units
- (d) 6,000 units

Q.76. A company manufactures a single product for which cost and selling price data are as follows:

Selling price per unit - Rs. 12
Variable cost per unit - Rs. 8
Fixed cost for a period - Rs. 98,000
Budgeted sales for a period - 30,000 units

The margin of safety, expressed as a percentage of budgeted sales, is:

- (a) 20%
- b) 25%
- (c) 73%
- (d) 125%

Information for Q.77 to Q.79:

Information concerning A Ltd.'s single product is as follows:

Selling price - Rs. 6 per unit

Variable production cost - RS. 1.20 per unit

Variable selling cost - Rs. 0.40 per unit

Fixed production cost - Rs. 4 per unit

Fixed selling cost - Rs. 0.80 per unit.

Budgeted production and sales for the year are 10,000 units.

Q.77. What is the company's breakeven point:

- (a) 8,000 units
- b) 8,333 units
- (c) 10,000 units
- (d) 10,909 units

Q.78. How many units must be sold if company wants to achieve a profit of Rs. 11,000 for the year?

- (a) 2,500 units
- (b) 9,833 units
- (c) 10,625 units
- (d) 13,409 units

Q.79. It is now expected that the variable production cost per unit and the selling price per unit will each increase by 10%, and fixed production cost will rise by 25%. What will be the new break even point?

- (a) 8,788 units
- (b) 11,600 units
- (c) 11,885 units
- (d) 12,397 units

Q.80. A company's break even point is 6,000 units per annum. The selling price is Rs. 90 per unit and the variable cost is Rs. 40 per unit. What are the company's annual fixed costs?

- (a) Rs. 120
- (b) Rs. 2,40,000

- (c) Rs. 3,00,000
- (d) Rs. 5,40,000

Q.81. Capital gearing ratio is _____.

- (a) Market test ratio
- (b) Long-term solvency ratio
- (c) Liquid ratio
- (d) turnover ratio

Q.82. After inviting tenders for supply of raw materials, two quotations are received as follows—

Supplier P Rs. 2.20 per unit, Supplier Q Rs. 2.10 per unit plus Rs. 2,000 fixed charges irrespective of the units ordered. The order quantity for which the purchase price per unit will be the same—

- (a) 22,000 units
- (b) 20,000 units
- (c) 21,000 units
- (d) None of the above.

Q.83. In case of joint products, the main objective of accounting of the cost is to apportion the joint costs incurred up to the split off point. For cost apportionment one company has chosen Physical Quantity Method. Three joint products 'A', 'B' and 'C' are produced in the same process. Up to the point of split off the total production of A, B and C is 60,000 kg, out of which 'A' produces 30,000 kg and joint costs are Rs. 3,60,000. Joint costs allocated to product A is

- (a) Rs. 1,20,000
- (b) Rs. 60,000
- (c) Rs. 1,80,000
- (d) None of the these

Q.84. A transport company is running five buses between two towns, which are 50 kms apart. Seating capacity of each bus is 50 passengers. Actually passengers carried by each bus were 75% of seating capacity. All buses ran on all days of the month. Each bus made one round trip per day.

Passenger kms are:

- (a) 2,81,250
- (b) 1,87,500
- (c) 5,62,500
- (d) None of the above

Q.85. The cost per unit of a product manufactured in a factory amounts to Rs. 160 (75% variable) when the production is 10,000 units. When production increases by 25%, the cost of production will be Rs. per unit.

- (a) Rs. 145
- (b) Rs. 150

- (c) Rs. 152
- (d) Rs. 140

Q.86. In 'make or buy' decision, it is profitable to buy from outside only when the supplier's price is below the firm's own _____.

- (a) Fixed Cost
- (b) Variable Cost
- (c) Total Cost
- (d) Prime Cost

Q.87. A budget which is prepared in a manner so as to give the budgeted cost for any level of activity is known as:

- (a) Master budget
- (b) Zero base budget
- ((c) Functional budget
- (d) Flexible budget

Q.88. _____ is also known as working capital ratio.

- (a) Current ratio
- (b) Quick ratio
- ((c) Liquid ratio
- (d) Debt-equity ratio

Q.89. _____ is a summary of all functional budgets in a capsule form.

- (a) Functional Budget
- (b) Master Budget
- (c) Long Period Budget
- (d) Flexible Budget

Q.90. _____ is a detailed budget of cash receipts and cash expenditure incorporating both revenue and capital items.

- (a) Cash Budget
- (b) Capital Expenditure Budget
- (c) Sales Budget
- (d) Overhead Budget

Q.91. Statutory cost audit are applicable only to:

- (a) Firm
- (b) Company

- (c) Individual
- (d) Society

Q.92. For the financial year ended as on March 31, 2013 the figures extracted from the balance sheet of Xerox Limited as under:

Opening Stock Rs. 29,000; Purchases Rs. 2,42,000; Sales Rs. 3,20,000; Gross Profit 25% of Sales. Stock Turnover Ratio will be :-

- (a) 8 times
- (b) 6 times
- (c) 9 times
- (d) 10 times

Q.93. If credit sales for the year is Rs. 5,40,000 and Debtors at the end of year is Rs. 90,000 the Average Collection Period will be

- (a) 30 days
- (b) 61 days
- (c) 90 days
- (d) 120 days

Q.94. The summarized balance sheet of Rakesh udyog Limited shows the balances of previous and current year of provision for taxation Rs. 50,000 and Rs. 65,000. If taxed paid during the current year amounted to Rs. 70,000 then amount charge from Profit and Loss Account will be:

- (a) Rs. 55,000
- (b) Rs. 85,000
- (c) Rs. 45,000
- (d) Rs. 1,85,000

Q.95. The summarized balance sheet of Autolight Limited shows the balances of previous and current year of retained earnings Rs. 25,000 and Rs. 35,000. If dividend paid during the current year amounted to Rs. 5,000 then profit earned during the year will be:

- (a) Rs. 5,000
- (b) Rs. 55,000
- (c) Rs. 15,000
- (d) Rs. 65,000

Q.96. Following information is available of XYZ Limited for quarter ended June, 2013

Fixed cost	Rs. 5,00,000
Variable cost	Rs. 10 per unit
Selling price	Rs. 15 per unit
Output level	1,50,000 units

What will be amount of profit earned during the quarter using the marginal costing technique?

- (a) Rs. 2,50,000
- (b) Rs. 10,00,000
- (c) Rs. 5,00,000
- (d) Rs. 17,50,000

Q.97. The P/v ratio of a company is 50% and margin of safety is 40%. If present sales is Rs. 30,00,000 then Break Even Point in Rs. will be

- (a) Rs. 9,00,000
- (b) Rs. 18,00,000
- (c) Rs. 5,00,000
- (d) None of the above

Q.98. Following information is available of PQR for year ended March, 2013: 4,000 units in process, 3,800 units output, 10% of input is normal wastage, Rs. 2.50 per unit is scrap value and Rs. 46,000 incurred towards total process cost then amount on account of abnormal gain to be transferred to Costing P&L will be:-

- (a) Rs. 2,500
- (b) Rs. 2,000
- (c) Rs. 4,000
- (d) Rs. 3,500

Q.99. In element-wise classification of overheads, which one of the following is not included —

- (a) Fixed overheads
- (b) Indirect labour
- (c) Indirect materials
- (d) Indirect expenditure.

Q.100. When the sales increase from Rs. 40,000 to Rs. 60,000 and profit increases by Rs. 5,000, the P/V ratio is —

- (a) 20%
- (b) 30%
- (c) 25%
- (d) 40%.

