

**Select The Blank**

Question Over absorption of overheads may take place due to the reasons like \_\_\_\_\_ overheads being less than the \_\_\_\_\_ overheads

Correct Answer actual  
Correct Answer estimated

**Select The Blank**

Question \_\_\_\_\_ Legal charges and \_\_\_\_\_ are the accounts which are shown on the debit side of Profit & Loss Account

Correct Answer Like office rent, Audit fees

**Select The Blank**

Question \_\_\_\_\_ of Trial Balance generally ensures \_\_\_\_\_ accuracy of the process of ledger posting .

Correct Answer Talling, arithmetical

**True/False**

Question While calculating the minimum level, normal lead time is not necessary

Correct Answer False

**True/False**

Question To Increase the existing production capacity, additional capital expenditure is required.

Correct Answer True

**Multiple Choice Single Answer**

Question Labour cost indicates that labour cost which cannot be identified with the individual cost centre and is incurred for those employees who are not engaged in the manufacturing process but only assist i

Correct Answer Remuneration

**Multiple Choice Single Answer**

Question During one week X makes 200 units. He receives wages for a guaranteed 44hours per week at a rate of Rs. 1.50 per hour. Estimated time to produce one unit is 15 minutes. Time allowed is increased by 2

Correct Answer Rs. 83.60

**Select The Blank**

Question Financial Accounting protects the interest of outsiders . it considers \_\_\_\_\_ transaction and it is a \_\_\_\_\_ requirement

Correct Answer historical, legal

**Select The Blank**

Question variable cost is the cost that tend to \_\_\_\_\_ in direct proportion with \_\_\_\_\_

Correct Answer vary, level of activity

**Multiple Choice Multiple Answer**

Question Office & Administration overhead includes

Correct Answer Salary , Rent & Taxes , Stationary & postage

**Multiple Choice Single Answer**

Question Calculate Labour Efficiency Variance, If actual rate per hour is Rs.3.50/- , Standard rate is Rs.3/- per unit and standard hours are 15,000 and Actual hours are 13, 500.

Correct Answer Rs.4500/- ( Favorable )

**Multiple Choice Single Answer**

Question Cost-sheet may be prepared separately for each

Correct Answer Different Cost Centre

**Multiple Choice Single Answer**

Question The prime cost is Rs. 10,00,000 the factory cost is Rs. 13,00,000, the total administration overheads are 14,00,000 and having selling overhead of Rs. 86000. What is the Total cost?

Correct Answer 37,86,000

**Multiple Choice Multiple Answer**

Question The cost of asset is Rs. 1,10,000, Estimated scrap value 10,000, estimated life 10 yrs. Calculate the depreciation according to straight line method

Correct Answer 10,000

**Select The Blank**

Question To ascertain the \_\_\_\_\_ of all the transactions recorded in the ledger account, the account is required to be \_\_\_\_\_

Correct Answer Net effect

Correct Answer Balanced

**Multiple Choice Multiple Answer**

Question In fixed overhead variance, the volume variance is further analyzed as

Correct Answer Variance Efficiency Variance , Capacity Variance , Calendar Variance

**Multiple Choice Single Answer**

Question For a unit, if opening stock of raw material is 10,000 units, closing stock of raw material is 5,000 units and consumption is 3,20,000 units, what will be the quantum of raw material to be purchased

Correct Answer 3,15,000

**Multiple Choice Multiple Answer**

Question Accounts is a

Correct Answer Record of all transaction

**True/False**

Question Whatever is to be sold need not be produced.

Correct Answer True

**True/False**

Question Patents and Trade Marks Account is a Real Account.

Correct Answer True

**Multiple Choice Single Answer**

Question Budget is prepared in terms of

Correct Answer Quantity and/or Money

**True/False**

Question Favorable variances need on investigation

Correct Answer False

**Multiple Choice Multiple Answer**

Question Standard Costing may not be useful in

Correct Answer Small concerns , Industries having non-standardized products , Contract jobs

**Multiple Choice Single Answer**

Question \_\_\_\_\_ Accounting becomes a source of information for Management Accounting.

Correct Answer Financial

**Select The Blank**

Question The levels indicated on the Bin card enables the \_\_\_\_\_ department to keep a watch on the balance and replace the material as soon as it reached at \_\_\_\_\_ level.

Correct Answer Stores

Correct Answer Re-order level

**Multiple Choice Single Answer**

Question Standard costs are the targets to be attained by the actual performance.

Correct Answer Minimum

**Multiple Choice Single Answer**

Question During one week X makes 200 units. He receives wages for a guaranteed 44 hours per week at a rate of Rs. 1.50 per hour. Estimated time to produce one unit is 15 minutes. Time allowed is increased by 2

Correct Answer Rs. 75

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**Multiple Choice Multiple Answer**

Question The fiscal policy includes

Correct Answer Formation of taxation policy, It is an instrument for economic stabilization, Monitoring of public expenditure

**Select The Blank**

Question The problem of unlimited wants and limited \_\_\_\_\_ with \_\_\_\_\_ uses has been forever confronting mankind.

Correct Answer means

Correct Answer alternative

**Multiple Choice Single Answer**

Question Every nation's resources which are used to produce the quantities of goods and services that would be required to satisfy all its citizen's wants are

Correct Answer insufficient

**Multiple Choice Single Answer**

Question The movement in Trade cycle is

Correct Answer wave –like

**Multiple Choice Single Answer**

Question The suggestion of maximization of balanced growth rate as another alternative objective of a firm is by

Correct Answer Prof. Morris

**Multiple Choice Single Answer**

Question The act of making goods and services is called

Correct Answer production

**Multiple Choice Multiple Answer**

Question Conditions of equilibrium

Correct Answer Marginal Revenue should be equal to Marginal Cost , The Marginal cost curve should cut the marginal revenue curve from below at the equilibrium point , Marginal cost curve should be increasing at equilibrium point

**Select The Blank**

Question Elasticity of supply may be defined as the ratio of the percentage \_\_\_\_\_ or the \_\_\_\_\_ change in quantity supplied to the percentage or proportionate change in Price.

Correct Answer proportionate

Correct Answer change

**Select The Blank**

Question There are two factors determining the \_\_\_\_\_ functions, namely (i) \_\_\_\_\_ and (ii) the rate of interest

Correct Answer investment

Correct Answer the marginal efficiency of capital

**Multiple Choice Single Answer**

Question In economics the questions related to the division of society's output of goods and services among its members are topics in

Correct Answer theory of distribution

**Multiple Choice Single Answer**

Question Joint Stock Company succession is

Correct Answer perpetual

**Match The Following**

Question Correct Answer Your Answer

Which is the year when Cooperative Society's Act was passed in India?

1904 1904

In which Industrial Licensing Policy did the Government of India accept the concept of joint – sector?

1970 1970

What is the minimum number of directors required to form a public limited company?

Minimum 3 Directors

Minimum 3 Directors

What is the lower and upper limit of the number of members required to form a private limited company?

2 to 50 members 2 to 50 members

What is the lower and upper limit of the number of members required for the formation of a public limited company?

Minimum 7 and maximum any number.

Minimum 7 and maximum any number.

**Multiple Choice Multiple Answer**

Question Characteristics of Depression

Correct Answer Decrease in economic activities , The growth rate becomes negative , The level of national income declines rapidly

**Multiple Choice Multiple Answer**

Question Assumptions of the Law of Demand are:

Correct Answer No change in consumer's income , No change in consumer's preferences , No change in fashion

**Select The Blank**

Question Where \_\_\_\_\_ is charging a \_\_\_\_\_ in the home market and a lower price in the international market, it is called Dumping

Correct Answer monopolist

Correct Answer higher price

**Select The Blank**

Question In the words of Mr. Kuchhal, a joint-stock company is an \_\_\_\_\_ association, which is an artificial legal person, having \_\_\_\_\_ legal entity, with a perpetual succession, a carrying a l

Correct Answer incorporated

Correct Answer independent

**Match The Following**

Question Correct Answer Your Answer

Innovation Theory of Profit Joseph Schumpeter Joseph Schumpeter

Uncertainly bearing

F. H. Knight

F. H. Knight

Implicit cost

Opportunity cost

Opportunity cost

Chance profit

Outbreak of war

Outbreak of war

Depreciation

Capital consumption allowance

Capital consumption allowance

**True/False**

Question Contraction of supply is traced by the downward movement on the supply curve.

Correct Answer True

**Multiple Choice Single Answer**

Question Managerial economics is also understood to refer to

Correct Answer applied economics

**Multiple Choice Single Answer**

Question J.M. Keynes economic analysis come under analysis which is

Correct Answer macro

**True/False**

Question Price is the, only determinant of demand.

Correct Answer False

**Multiple Choice Single Answer**

Question The act of using goods and services to satisfy wants is called

Correct Answer consumption

**Multiple Choice Single Answer**

Question In economics the question related to the selection of methods with which commodities are produced is a subject matter of

Correct Answer theory of production

**Multiple Choice Single Answer**

Question All the man made resources which are used in the process of making other goods and services are called

Correct Answer capital

**Multiple Choice Multiple Answer**

Question Equilibrium is

Correct Answer The stage of maximum satisfaction , The stage of balance , The stage of stationary

**Select The Blank**

Question In a competitive industry, there is a large number of firms so that the action of \_\_\_\_\_ firm has \_\_\_\_\_ on the price and output of the whole industry.

Correct Answer a single

Correct Answer no effect

**Multiple Choice Single Answer**

Question In the cost – benefit analysis, the firm step involved is that the investor has to choose a few project alternatives promising a rate of return which is

Correct Answer high

**Multiple Choice Single Answer**

Question The type economic problem is

Correct Answer universal

**True/False**

Question In case of a proprietary firm the liability of the proprietor is limited  
Correct Answer False

**Multiple Choice Single Answer**

Question Innovation theory of profit was developed by  
Correct Answer Joseph Schumpeter

**Multiple Choice Single Answer**

Question contraction of demand is defined as a situation when lesser quantity of a commodity is demanded only because the price of the commodity in question  
Correct Answer risen

**Multiple Choice Multiple Answer**

Question Index numbers may broadly be classified as:  
Correct Answer Price indices , Quantity Indices , Special purpose indices

**Multiple Choice Multiple Answer**

Question The production function can be explained by:  
Correct Answer Law of variable proportions , Laws of returns to scale , Optimum combinations of inputs

**Multiple Choice Multiple Answer**

Question Consumption function  
Correct Answer it refers to income consumption relationship , it is functional relationship between two aggregates , it is represented as  $c=f(y)$

**Multiple Choice Multiple Answer**

Question Causes for rise in prices in India  
Correct Answer Mounting government expenditure , Deficit financing and increase in money supply , Role of black money

**True/False**

Question Measurement of profit becomes difficult because of the difficulty involved in the calculation of depreciation.  
Correct Answer True

**Multiple Choice Multiple Answer**

Question Major types of costs are:  
Correct Answer Accounting costs , Economic Costs , Opportunity Costs

**Multiple Choice Single Answer**

Question New commodities due to technological progress may result in demand for traditional type of goods  
Correct Answer decrease

**Select The Blank**

Question Oligopoly is a type of \_\_\_\_\_ market. A \_\_\_\_\_ exists in the industry  
Correct Answer imperfect  
Correct Answer few firms

**True/False**

Question In case of a partnership form of business organization a minor can become partner.  
Correct Answer False  
Your Answer False

**Multiple Choice Multiple Answer**

Question Gross Profit includes:

Correct Answer Remuneration for the Factors of Production paid by the entrepreneur , Depreciation and Maintenance charges , Net Profit

**True/False**

Question Demand is related to price, time and place

Correct Answer True

**Multiple Choice Multiple Answer**

Question Methods of measurement of elasticity

Correct Answer Percentage Method , Point elasticity Method , Total outlay expenditure method

**True/False**

Question A monopolist can decide both price and the quantity of a product that he is going produce and sell in the market

Correct Answer False

**Select The Blank**

Question As per the International Labour Organisation (ILO), \_\_\_\_\_ is a \_\_\_\_\_ association of individuals with limited income on the basis of equal rights and responsibilities for achieving certa

Correct Answer Co-operation

Correct Answer voluntary

**Multiple Choice Single Answer**

Question Managerial economics generally refers to the integration of economic theory with business

Correct Answer Practice

**Select The Blank**

Question The selective \_\_\_\_\_ controls are intended to control the \_\_\_\_\_ to particular sectors without affecting the total credit, and also to change the composition of credit from undesirable to de

Correct Answer credit

Correct Answer credit flows

**True/False**

Question A business is an activity carried out with the intention of earning the profit.

Correct Answer True

**True/False**

Question Balance sheet indicates the financial status of the business at given period.

Correct Answer True

**True/False**

Question Accounting refers to the process of analyzing & interpreting the information already recorded in the books of accounts.

Correct Answer True

**True/False**

Question Accounting is an art of recording, classifying & summarizing in a significant manner.

Correct Answer True

**True/False**

Question Cost Accounting restrict itself with historical transactions

Correct Answer False

**True/False**

Question A very wide scope of Management Accounting is the limitation by itself.

Correct Answer True

**Multiple Choice Single Answer**

Question Journal is popularly known as 'Book of . . .  
 Correct Answer Original Entry

**True/False**

Question In a Balance-Sheet right hand side is referred as assets side and left hand side is referred as liabilities.  
 Correct Answer True

**Multiple Choice Single Answer**

Question The cost that indicates historical cost, which is incurred in past, is known as  
 Correct Answer Sunk cost

**Multiple Choice Single Answer**

Question Presentation of information to enable managerial decision making' is one of the objects of which of the following  
 Correct Answer Cost Accounting

**Multiple Choice Multiple Answer**

Question The objects of cost accountancy are . . .  
 Correct Answer To ascertain cost and profitability , Cost Control , Presentation of Information

**Multiple Choice Multiple Answer**

Question Features of Sunk cost are . . .  
 Correct Answer Indicates historical cost , Not relevant in decision making process , Incurred in past

**Multiple Choice Multiple Answer**

Question Examples of indirect material are  
 Correct Answer Consumable stores , Glue used in book binding , Nails used in packing boxes

**Select The Blank**

Question The process of attributing proportions of items of costs amongst const centres is called \_\_\_\_\_.  
 Correct Answer Cost apportionment

**True/False**

Question Manufacturing overheads represents all costs incurred in the factory including direct material cost and direct labour cost.  
 Correct Answer False

**Match The Following**

Question	Correct Answer	Your Answer
Indirect Material	Element wise classification	Element wise classification
Administration overheads	Function wise classification	Function wise classification
Fixed overheads	Variability wise classification	Variability wise classification
Abnormal overheads	Normality wise classification	Normality wise classification

**Multiple Choice Single Answer**

Question It is said that adoption of uniform costing creates customer confidence because . . .  
 Correct Answer Prices are reliable



**Multiple Choice Multiple Answer**

Question Pre-requisites of Uniform Costing are . . .  
Correct Answer Spirit of mutual trust , Free Exchange of ideas , No rivalry

**Multiple Choice Multiple Answer**

Question Which of the following aspects are mainly responsible for difficulty in application of Uniform costing system.  
Correct Answer Capital investment , Plant size , Location

**Select The Blank**

Question In India the gas industry and electricity industry, and \_\_\_\_\_ industry are examples of industries using the uniform costing system.  
Correct Answer fertilizer

**Multiple Choice Multiple Answer**

Question Ram and Laxman are partners of Kush & Bros. As on 1st April, 2003 Ram's capital is Rs.50,000/- and Laxman's capital is Rs.80,000/-. If interest on capital is to be provided @ 10% p.a., what will be amount of capital of each of the partners as on 31st March, 2004, assuming there were no additions during this period? Also, state the treatment of this item in the Profit and loss account.

**Correct Answer** Ram's capital Rs.55,000/- , Laxman's capital Rs.88,000/- , Interest on capital should be debited to the Profit and loss account

**Select The Blank**

Question Non-trading income is disclosed on the credit side of \_\_\_\_\_ account.  
Correct Answer Profit and loss

**Select The Blank**

Question In the adjustment entry passed for closing stock, the \_\_\_\_\_ account should be credited.  
Correct Answer Trading

**Select The Blank**

Question An adjustment relating to outstanding expenses will \_\_\_\_\_ the net profit.  
Correct Answer Decrease

**Select The Blank**

Question Goods returned to the suppliers from whom it was \_\_\_\_\_d is recorded in the Purchasereturn register.  
Correct Answer Purchase

**Select The Blank**

Question Goods returned to the suppliers from whom it was Purchase is recorded in .....return register.  
Correct Answer Purchase

**Multiple Choice Single Answer**

Question An advertisement contract was made with an artist which stated that the remuneration will be 12% of net sales. On an average the monthly sales were Rs.36,000/-, however the average rate of sales return was 5% of that month's sale. Find the expenditure on account of advertisement.

**Correct Answer** Rs.49,248/-

**Multiple Choice Single Answer**

Question Goods kept in the godown were destroyed by fire on 18th June, 2004. The cost of such goods was Rs.18,950/-. The goods were not insured. Find the amount which should be debited to the profitability statement.

**Correct Answer** Rs.18,950/-

**True/False**

Question Generally speaking income represents wealth increase and business success; higher the income, lower will be the success of a business.

Correct Answer False

**Multiple Choice Single Answer**

Question While preparing the bank reconciliation statement as on 31st March, 2004 you find the following discrepancy : 'a cheque of Rs.3,700/- received and deposited in bank on 27th March, 2004 was entered credited in the pass book on 3rd April, 2004.' In this background, which of the following statement holds true as on 31st March, 2004?

Correct Answer Balance as per pass book < Balance as per bank book

**True/False**

Question Bank reconciliation statement is a systematic presentation of errors made by the accountant.

Correct Answer False

**Select The Blank**

Question The stores department is a \_\_\_\_\_ department.

Correct Answer Service

**Select The Blank**

Question The \_\_\_\_\_ is responsible for material losses while in storage.

Correct Answer Store-keeper

**Select The Blank**

Question The \_\_\_\_\_ is a perpetual inventory record.

Correct Answer Bin card

**Multiple Choice Single Answer**

Question A written request sent to a supplier for specified goods at an agreed upon price is often called as :

Correct Answer Purchase order

**Multiple Choice Single Answer**

Question Selecting an appropriate method of valuation of inventory is important because :

Correct Answer It influences the figure of gross profit

**True/False**

Question Re-order level for materials is determined considering maximum consumption and maximum delivery period.

Correct Answer True

**True/False**

Question Control on purchase of material is exercised by the storekeeper.

Correct Answer False

**Multiple Choice Multiple Answer**

Question The disadvantages of time rate system are :

Correct Answer Ignores the efficiency of workers , Higher labour cost , Lack of motivation to increase productivity

**True/False**

Question The best way to reduce labour cost is to recruit cheap labour.

Correct Answer False

**True/False**

Question Under some circumstances, it may be advisable to sell at prices equal to or below the marginal cost ignoring fixed cost.

Correct Answer True

**Match The Following**

Question	Correct Answer	Your Answer
Increase in fixed cost will lead to	Increase in break even point	Increase in break even point
Decrease in variable cost will lead to	Increase in profit volume ratio	Increase in profit volume ratio
Decrease in selling price will lead to	Decrease in contribution	Decrease in loss
Increase in contribution will lead to	Increase in profits	Decrease in break even point

**Select The Blank**

Question Economical use of labour, materials and facilities can achieved with the help of \_\_\_\_\_.

Correct Answer Budgetary control

**Multiple Choice Multiple Answer**

Question Select the advantages of standard cost system.

Correct Answer Provides reliable basis for budgeting , Facilitates delegation of authority , Promotes economy and efficiency

**Multiple Choice Single Answer**

Question Which variance is used to analyse the effect of change in the quantity of output from a given mix of inputs?

Correct Answer Materials yield variance

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**True/False**

Question Depreciation can be defined as a permanent, continuous and gradual reduction in the book value of a fixed asset.

Correct Answer True

**Select The Blank**

Question Carriage charges paid for a new machine purchased if debited to carriage account would affect the \_\_\_\_\_

Correct Answer Machinery A/c and carriage A/c

**Match The Following**

Question	Correct Answer	Your Answer
Error of Principle	Trial Balance does not get affected	Wrong classification
Error of Omission	Transaction is totally omitted	Transaction is totally omitted
Error of commission	Wrong Posting	Wrong Posting
Compensating Error	Wrong classification	Trial Balance does not get affected

**Select The Blank**

Question The difference between sales and cost of sales is termed as \_\_\_\_\_.

Correct Answer Net Profit

**Multiple Choice Multiple Answer**

Question Financial Accounting is ...

Correct Answer Designed to supply information to internal/ external users , Referred as 'Historical' form of accounting , Concerned with financial factors

**Select The Blank**

Question \_\_\_\_\_ Accounting assists the management in establishing the plans to attain the economic objectives and take proper decisions for the attainment of its objectives.

Correct Answer Management

**Multiple Choice Multiple Answer**

Question The objectives of cost accounting are :

Correct Answer Cost control , Ascertain ment of cost of each product , Assist in managerial decision-making

**Multiple Choice Single Answer**

Question The capacity utilised to installed capacity ratio is 80% for the company. The capacity utilisation ratio in respect of a machine for a particular month is 90%. The available working hours in a month are 200 hours. The break of idle time is as follows : Waiting for job - 5hours, breakdown - 4 hours and waiting for tools - 3 hours. Calculate the idle time cost when the hourly fixed cost of running the machine is Rs.8/-.

Correct Answer Rs.96/-

**True/False**

Question Semi variable expenses fluctuate in direct proportion to volume.

Correct Answer False

**Multiple Choice Multiple Answer**

Question If you are required to enforce uniform costing system in your industry, how would you proceed ?

Correct Answer Collecting data from all units of your industry , Ensuring that the data collected is complete and correct , Maintaining secrecy of the data collected

**True/False**

Question GAIL having monopoly in the CNG (Compressed Natural Gas) market can implement the Uniform costing system.

Correct Answer False

**Select The Blank**

Question In India, where public undertakings operate along with the private sector undertakings, \_\_\_\_\_ enables a comparative assessment to be made of the two sectors.

Correct Answer uniform costing

**Multiple Choice Multiple Answer**

Question From the following, select intangible assets:

Correct Answer Goodwill , Patents , Trade Marks

**Multiple Choice Multiple Answer**

Question Items credited to Profit & Loss Account are...

Correct Answer Gross profit , Commission received , Interested received

**Multiple Choice Multiple Answer**

Question Select the accounts to be disclosed on the assets side of the Balance sheet.

Correct Answer Furniture , Loan to Bank of U.S.A. , Land & building

**Multiple Choice Single Answer**

Question Loan @ 12% p.a. of Rs.50,000/- was taken on 1st March, 2004. Find the interest expenditure on 31st March, 2004.

Correct Answer Rs.500/-

**Multiple Choice Single Answer**

Question Judge the given statement according to the given criteria. Goods being real account, when goods are lost by fire, the goods account should be debited because the goods are not going out of the factory.

Correct Answer The statement is correct but the reason is incorrect

**Multiple Choice Single Answer**

Question The credit side of the sales book was overcast by Rs.2,000/-. As a result of this rectification, what of the given impacts is likely to happen?

Correct Answer The liability side of the balance sheet will increase by Rs.2,000/-

**True/False**

Question It is said that the income statement represents wealth increase /decrease for the organisation.

Correct Answer True

**True/False**

Question All personal expenses of the owner should be debited to the organisation's profit and loss account.

Correct Answer False

**True/False**

Question Depreciation on assets is credited to the trading account.

Correct Answer False

**Match The Following**

Question	Correct Answer	Your Answer
Deferred revenue expenditure	Real account	Nominal account
Deferred revenue expenditure written off		Nominal account
	Non-real account	
Loan	Personal account	Real account
Drawings	Proprietor's account	Proprietor's account

**Select The Blank**

Question If the bank pays off the credit card bill, as per the standing instructions, the overdraft as per bank book will be \_\_\_\_\_ the overdraft as per pass book.

Correct Answer Lesser than

**Multiple Choice Single Answer**

Question A cheque of Rs.400/- received and deposited into bank on 26th September, was credited in the pass book but was omitted to be entered in the bank book: this error will result in :

Correct Answer Difference in the balance as per bank book and as per pass book

**Multiple Choice Multiple Answer**

Question Features of purchase requisition slip are :

Correct Answer Raised when the stock of a raw material has fallen to the re-order level. , Indicates the type, quantity and quality of material required , The information about the price of material is excluded

### Multiple Choice Multiple Answer

Question Inventory holding cost comprises of :

Correct Answer Cost of insurance , Rent of store house , Salary of store keeper

### Select The Blank

Question If the ordering cost \_\_\_\_\_s, then the economic order quantity will Increase.

Correct Answer Increase

### Select The Blank

Question \_\_\_\_\_ authorises the production department to issue requisition for materials.

Correct Answer Bill of material

### Multiple Choice Single Answer

Question P Ltd. produces a product having a monthly demand of 4,000 units. For every one unit of finished product one unit of a component X is required at purchase price of Rs.20/-. The ordering cost is Rs.120/- per order and the holding cost is 10% per annum. If the company places each order for 2,000 units due to financial constraints, what is the extra annual cost?

Correct Answer Rs.80/-

### Multiple Choice Single Answer

Question P Ltd. produces a product having a monthly demand of 4,000 units. For every one unit of finished product one unit of a component X is required at purchase price of Rs.20/-. The ordering cost is Rs.120/- per order and the holding cost is 10% per annum. If the company places each order for 2,000 units due to financial constraints, what is the extra annual cost?

Correct Answer Rs. 480/-

### True/False

Question An entry in the stores ledger is required for transfer of material from one job to another in the same department.

Correct Answer False

### Select The Blank

Question The method which deals with ownership rights being given to workers is known as \_\_\_\_\_ method of remuneration.

Correct Answer Co-partnership

### Multiple Choice Single Answer

Question Which of the following is the most efficient use of the clock card?

Correct Answer To facilitate payment for time spend on the work premises

### Multiple Choice Single Answer

Question A firm of boiler-house engineers provides engineering services to large number of factories having boiler houses. The firm charges on the basis of number of hours its engineers have worked for the client. Each engineer works for eight hours on each working day. Each engineer enjoys Saturday and Sunday as holiday. In addition he is granted a total of 21 more paid holidays in a year. An engineer's annual remuneration comprises (for the year

Correct Answer Rs.182.29

### Multiple Choice Multiple Answer

Question Marginal costing is useful in the following areas :

Correct Answer Plant shut down decisions , Make or buy decisions , Profit planning

### Select The Blank

Question Cost volume profit analysis focuses attention on the \_\_\_\_\_ effect of a particular course of action.

Correct Answer short run

### Select The Blank

Question Loss is equal to fixed cost minus \_\_\_\_\_

Correct Answer Contribution

### Multiple Choice Single Answer

Question ABC Ltd. has a proposal of utilising a cheaper raw material which will increase the contribution from Rs.100/- per unit to Rs.125/- per unit. However, the use of cheaper raw material may result in decrease in sales by 10% (to 450 units only). Find the impact of using the cheaper raw material on the amount of contribution ( net increase or decrease in contribution).

Correct Answer Increase in contribution Rs.6,250/-

### Multiple Choice Multiple Answer

Question Which of the following budgets may be termed as a long term budget?

Correct Answer Capital expenditure budget , Research and Development expenditure budget , Budget of a transportation company

### Select The Blank

Question A \_\_\_\_\_ can be defined as a part of the organisation for which separate budget can be prepared and implemented.

Correct Answer Budget centre

### Multiple Choice Single Answer

Question The finance manager is responsible for which of the following budget?

Correct Answer Cash budget

### True/False

Question The role of the budget committee may be taken as an advisory role to the Chief Executive.

Correct Answer True

### True/False

Question While preparing the labour cost budget, factors such as overtime working or night shift working may be ignored.

Correct Answer False

### Multiple Choice Single Answer

Question The variance which measures the deviation of the rate actually paid to labour as from the standard hourly rate is known as:

Correct Answer Labour rate variance

### True/False

Question The actual hours taken by the labour are compared with the standard hours allowed for output to find out the labour yield variance.

Correct Answer True

### Match The Following

Question

Correct Answer

Your Answer

Accounting	Process of analyzing & interpretation Process of analyzing & interpretation
Profitability statement	Indicates the amount of profit earned Indicates the amount of profit earned
Balance-sheet	Financial status Financial status
Book-Keeping	Books of Accounts Books of Accounts
Financial statement	Profitability statement & Balance-sheet Profitability statement & Balance-sheet

**Match The Following**

Question	Correct Answer	Your Answer
Bills Payable	Amount payable to supplier Amount payable to supplier	
Bills Receivable	Amount received from the customer Amount received from the customer	
Trade Discount	Not accounted for in the books of Accounts Not accounted for in the books of Accounts	
Cash Discount	Accounted for in the books of Accounts Accounted for in the books of Accounts	
Bad debts	Amount not received from customer Amount not received from customer	

**True/False**

Question Real Accounts may also consist the accounts of some intangible assets like Goodwill Account  
Correct Answer True

**True/False**

Question The rate at which the depreciation is to be calculated are also specified in the Income Tax Act 1961.  
Correct Answer True

**Multiple Choice Multiple Answer**

Question Cash and-----are the two systems of accounting.  
Correct Answer Mercantile

**Multiple Choice Multiple Answer**

Question P/L A/C debit side includes  
Correct Answer salary , discount allowed , postage & telegram

**Multiple Choice Multiple Answer**

Question Trading a/c credit side includes  
Correct Answer sales , goods lost by fire , closing stock

**Multiple Choice Single Answer**



Question Amit sold Goods to Atul for Rs. 50,000 on cash & Rs. 50,000 on credit basis & allowed 10% discount on on the spot transaction. Cash Account debited to Rs. \_\_\_\_\_

Correct Answer 45,000

**Multiple Choice Single Answer**

Question A proprietor purchase goods worth Rs. 5500 & cash account credited to Rs. 5000 rectification of the suspense accounted debited to Rs

Correct Answer 500

**Multiple Choice Single Answer**

Question Amit purchase of Rs. 6710 had been posted to the debit of the creditors A/C as 6170 rectifying the transaction the creditor A/C is to be debited amount to Rs

Correct Answer 540

**Multiple Choice Multiple Answer**

Question Following error affect the trial balance

Correct Answer Wrong totaling of subsidiary books , Posting on the wrong side of an account , Omission of posting an account in the ledger

**True/False**

Question A bill of Rs. 500 for old furniture sold to Raj, was entered in the sales day book

Correct Answer False

**True/False**

Question Abnormal cost indicates that cost which is normally incurred at a certain level of output under normal circumstances.

Correct Answer False

**Multiple Choice Single Answer**

Question This cost indicates increased or decreased cost due to the increased or decreased volume of operations.

Correct Answer Differential cost

**True/False**

Question Indirect material cost assist the manufacturing process is an integral part of finish goods.

Correct Answer False

**Multiple Choice Multiple Answer**

Question Indirect Expenses includes

Correct Answer Rent , Telephone expenses , Insurance

**True/False**

Question Material cost is the first and probably the most important element of cost.

Correct Answer True

**Multiple Choice Multiple Answer**

Question Under stocking may have following consequences

Correct Answer Payment for idle time to workers , Production hold ups resulting into disturbed delivery schedule , Eleventh hour purchase

**Multiple Choice Multiple Answer**

Question Goods received note or goods received report is prepared in following copies

Correct Answer One copy to Purchase department , One copy to Accounts department , One copy to Costing department

**Multiple Choice Multiple Answer**

Question Valuation of material uses the following methods  
Correct Answer FIFO and LIFO , Average price method , Market price

**Multiple Choice Single Answer**

Question Under Merrick Differential Piece rate System of wage payment up to 83% of efficiency following rate is offered.  
Correct Answer Normal

**Multiple Choice Single Answer**

Question Under the Emerson's Efficiency Bonus System at following efficiency level no bonus is payable.  
Correct Answer Below 66.66%

**True/False**

Question If the organisation follows the policy of considering predetermined overhead absorption rates, it may face the problem of under or over absorption of overheads if the actual overheads to be absorbed o  
Correct Answer True

**True/False**

Question Fixed cost is the cost that varies in direct proportion with the level of activity or volume of operations.  
Correct Answer False

**Multiple Choice Multiple Answer**

Question Limitations of marginal costing are  
Correct Answer difficult for classification as fixed cost and variable cost. , does not provide any standard for the evaluation of performance. , it is useful technique only in the short run.

**Multiple Choice Multiple Answer**

Question Budgetary Control deals with  
Correct Answer Establishment of budgets , Comparison of budgeted results with actuals , Computation of variance.

**True/False**

Question The analysis of overhead variances is different and the most complex task.  
Correct Answer True

**True/False**

Question Standard costing and Marginal Costing are the best possible tools available to the management for cost control  
Correct Answer False

**Multiple Choice Multiple Answer**

Question Current standards includes  
Correct Answer Expected standards , Normal standards , Ideal standards

**Multiple Choice Single Answer**

Question In case of industries where capital investment is very high, budget should be prepared for a  
Correct Answer Longer period

**Select The Blank**

Question After material is received from the supplier, quantity actually received is compared with quantity \_\_\_\_\_-and \_\_\_\_\_-if any, are taken up with the supplier

Correct Answer Ordered  
Correct Answer Variation

**Select The Blank**

Question Labour Turnover indicates \_\_\_\_\_ in labour force showing a highly increasing trend or highly \_\_\_\_\_ trend

Correct Answer Change  
Correct Answer Decreasing

**Select The Blank**

Question Under Gantt Task bonus system where the output is \_\_\_\_\_ payment is made as per minimum time rate, output is \_\_\_\_\_ payment is made as per time wages plus some increase in wage rates

Correct Answer below standard  
Correct Answer at standard

**Select The Blank**

Question \_\_\_\_\_ and \_\_\_\_\_ are non monetary incentives

Correct Answer Safety services  
Correct Answer education facility

**Select The Blank**

Question Semi \_\_\_\_\_ overheads are neither \_\_\_\_\_ nor variable in nature.

Correct Answer Fixed  
Correct Answer Variable

**Select The Blank**

Question Fixed overheads normally arise as a result of policy and are largely \_\_\_\_\_ in nature at the \_\_\_\_\_ level of the management

Correct Answer Uncontrollable  
Correct Answer Lower

**Select The Blank**

Question \_\_\_\_\_ and \_\_\_\_\_ are examples of semi- variable overheads.

Correct Answer Maintenance cost  
Correct Answer electricity

**Select The Blank**

Question Rs.5000 paid as \_\_\_\_\_ to \_\_\_\_\_ should be debited to salary account

Correct Answer Mahesh  
Correct Answer salary

**Multiple Choice Single Answer**

Question Benefits available from revenue expenditure are received in the :

Correct Answer Same year

**True/False**

Question The variable costs are controllable at the lower lever.

Correct Answer True

**Multiple Choice Multiple Answer**

Question Techniques of management accounting include:

Correct Answer Marginal costing , Budgetary control , Standard costing

**Select The Blank**

Question If the total manufacturing overhead of a tiles producing factory amounted to Rs.15 lakhs and the overhead rate was Rs.5/- per sq.ft, then the production for the period can be stated as \_\_\_\_\_ sq.ft. tiles.

Correct Answer 300000

**Select The Blank**

Question The system which provides an opportunity to the small units to take advantage of the research work taken by the large scale units of the same industry is known as \_\_\_\_\_ system.

Correct Answer Uniform costing

**Multiple Choice Multiple Answer**

Question The net profit before certain adjustments was Rs.95,040/-. After giving due effects to the adjustments, the revised net profit (after considering the adjustments) is Rs.78,560/-. Select the adjustments which might brought this change.

**Correct Answer** Accrued commission income of-Rs.32,960/- was not entered in the books , Rent for the month of March was payable and yet to be recorded Rs.19,280/- , Repairs expenditure to the extent of Rs.30,160/- was wrongly transferred to Machinery account

**Select The Blank**

Question If the customer is not likely to pay the amount receivable from him, this amount should to be treated as \_\_\_\_\_.

Correct Answer Bad debts

**Multiple Choice Single Answer**

Question Creditors as on 31st March, 2004 amount to Rs.15,225/-. Provision for discount from creditors is to made @ 5%. Find the impact of this provision on the net profit.

Correct Answer The net profit will increase by Rs.761.25

**True/False**

Question Under the Rowan plan bonus is a fixed percentage.

Correct Answer False

**Select The Blank**

Question Margin of safety indicates \_\_\_\_\_ of operations.

Correct Answer Profitability

**Multiple Choice Single Answer**

Question XYZ Ltd. has sufficient idle capacity. It has received an enquiry for the supply of 300 units (packed in better box at an additional cost of Rs.20/- per box). The variable cost of manufacturing the product is Rs.150/-. The company expects a profit of Rs.6,000/- from this wholesale offer. What minimum price should it quote for this deal?

Correct Answer Rs.190/-

**True/False**

Question Period cost is the cost assigned to the products.

Correct Answer False