

**SECTION II****[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]****BA DEGREE (CBCS)PRIVATE EXAMINATION, APRIL 2022**

D461E59C

**DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN THE  
SECTION II OF THE QUESTION PAPER  
CO6CRT17MCQ - COST ACCOUNTING-2**

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Answer **all** questions.

All questions carry equal marks

Put a tick mark [✓] against the correct answer

1. The process of ascertaining cost after incurring expenses is called
  - (a) Marginal costing      (b) Historical costing
  - (c) Absorption costing      (d) Standard costing
2. Economic batch quantity is used in batch costing to
  - (a) Meet specific customer requirements      (b) Produce at the least possible cost
  - (c) In order to ensure stock in anticipation of demand      (d) None of these
3. In job costing, each job is the \_\_\_\_\_
  - (a) Cost centre      (b) Cost unit
  - (c) Profit centre      (d) None of these
4. The most suitable costing system where the products differ in type of materials and work performed is
  - (a) Job costing      (b) Process costing
  - (c) Operating costing      (d) Contract costing
5. The method of job costing is applied
  - (a) Biscuit manufacturing      (b) Oil refining
  - (c) Medicine manufacturing      (d) Engineering work shop
6. Which among the following is the equation of retention money?

- (a) Work in progress - Cash received      (b) Work certified – Cash received  
(c) Work certified x Cash ratio      (d) Work uncertified – Cash received

7. Work certified is valued at \_\_\_\_\_ price.  
(a) Cost      (b) Market  
(c) Contract      (d) Standard
8. Work in progress in contract means  
(a) Work certified      (b) Work certified and uncertified  
(c) Work uncertified      (d) None of these
9. Loss which is unavoidable on account of the nature of the material is called \_\_\_\_\_  
(a) Uncontrolled      (b) Normal  
(c) Abnormal      (d) None of these
10. A process loss that does not affect cost per unit  
(a) Standard loss      (b) Normal loss  
(c) Abnormal loss      (d) Seasonal loss
11. Trimmings of metal sheet should be treated as  
(a) By-products      (b) Joint products  
(c) Scrap      (d) Waste
12. Which method of apportionment of joint costs is normally used in tea, timber and tobacco industries?  
(a) Physical unit method      (b) Average unit cost method  
(c) Standard cost method      (d) None of these
13. Which method is appropriate when value of by-product is very negligible?  
(a) Reverse cost method      (b) Standard cost method  
(c) Joint cost method      (d) Miscellaneous income method
14. The cost of normal spoilage is  
(a) Credited to process a/c      (b) Charged to production  
(c) Transferred to costing P&L a/c      (d) None of these
15. Margin of safety is referred to as  
(a) Excess of actual sales of fixed cost      (b) Excess of actual sales of fixed cost

(c) Excess of actual sales over break even sales      (d) Excess of budgeted sales over fixed costs

16. Marginal cost represents

(a) Variable cost                      (b) Fixed cost

(c) Semi-variable cost      (d) Total cost

17. Cash budget is prepared by

(a) Cashier                      (b) Sales manager

(c) Production manager      (d) Chief accountant

18. "A planning and budgeting process which requires each manager to justify his entire budget request in detail from scratch" is called

(a) Performance Budgeting      (b) Zero Based Budgeting

(c) Cash Budget                      (d) None of these

19. Which one of the following is a composite unit?

(a) Kilometre      (b) Litre

(c) Quintal      (d) Tonne Kilometre

20. Service costing is a branch of

(a) Specific order costing      (b) Marginal Costing

(c) Standard Costing              (d) Operation costing

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No. of MCQ's Attempted :

Marks Scored :

(To be entered by the examiner)

No. of MCQ's not Attempted :

**ATTACH SECTION II INTERNAL EXAMINATION MCQ PAPER  
WITH THE MAIN ANSWER BOOK**