322 QUESTION PAPER BOOKLET CODE : **A**

Question Paper Booklet No. [ ]

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Time allowed : 3 hours Maximum marks : 100

Total number of questions : 100 Total number of printed pages : 20

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Space for Rough Work

1. Costs are classified on the basis of time :
   (A) Fixed Costs; Variable Costs and Semi-variable Costs
   (B) Product Costs and Period Costs
   (C) Historical Costs and Pre-determined Costs
   (D) Direct Costs and Indirect Costs

2. Office rent as cost is an example of :
   (A) Step Costs
   (B) Committed Costs
   (C) Policy and managed costs
   (D) Discretionary costs

3. A........................is a devise for the purpose of breaking up or separating costs into smaller sub-divisions.
   (A) Cost centre
   (B) Cost unit
   (C) Costing method
   (D) Costing techniques

4. Which of the following is not a method of costing ?
   (A) Job costing
   (B) Terminal costing
   (C) Marginal costing
   (D) Composite costing

5. ....relate to two or more products from a common production process or element-material, labour and overhead or any combination thereof or so locked together that one cannot be produced without producing the other.
   (A) Common cost
   (B) Imputed cost
   (C) Joint cost
   (D) Replacement cost

6. Sum of direct labour and manufacturing overhead is termed as :
   (A) Prime cost
   (B) Factory cost
   (C) Cost of production
   (D) Conversion cost

7. Cost Centres are classified as :
   (*i*) Personal and impersonal cost centres
   (*ii*) Administrative and non-administrative cost centres
   (*iii*) Productive, unproductive and mixed cost centres
   (*iv*) Operation and process cost centres

   Select the correct answer from the options given below :
   (A) (i); (ii); (iii) and (iv)
   (B) (ii); (iii) and (iv)
   (C) (i); (iii) and (iv)
   (D) (i) and (iii)

8. Match the following Cost Accounting Standards with Titles :

	CAS		Title
(*i*)	CAS-7	(1)	Pollution Control Cost
(*ii*)	CAS-14	(2)	Interest and Financing Charges
(*iii*)	CAS-21	(3)	Employee Cost
(*iv*)	CAS-17	(4)	Quality Control

Select the correct answer from the options given below :

	(*i*)	(*ii*)	(*iii*)	(*iv*)
(A)	(4)	(3)	(1)	(2)
(B)	(3)	(2)	(4)	(1)
(C)	(3)	(1)	(4)	(2)
(D)	(2)	(1)	(3)	(4)

9. Which of the following is not an objective of management accounting ?

(A) To facilitate coordination of operation

(B) To formulate planning and policy

(C) To prepare Balance Sheet

(D) To provide report

10. Min-Max Plan is a :

(A) Premium bonus plan

(B) Technique of inventory control

(C) Wages plan

(D) Budgeting technique

11. The following information is given :

Maximum usage : 200 units per day

Minimum usages : 140 units per day

Delivery period : 6 to 10 days

Minimum stock level will be :

(A) 840 Units

(B) 1200 Units

(C) 1360 Units

(D) 640 Units

12. A factory produces 500 units of a product per week. Consumption of raw material is 8 kg for one(1) unit of the product. Purchase price of raw material is ₹ 130 per kg. Cost of placing an order is ₹ 2,250 and the carrying cost is 20 percent per annum. Assuming 52 weeks in a year, the Economic Order Quantity will be :

(A) 832 Units

(B) 2121 Units

(C) 684 Units

(D) 6000 Units

13. Monthly consumption of a material; Economic order quantity and cost per order are 6000 units; 4000 units and ₹ 1,500 respectively, then total annual carrying cost will be :

    (A) ₹ 27,000

    (B) ₹ 3,000

    (C) ₹ 3,00,000

    (D) Not possible to compute in this case

14. The following features are given :

    (*i*) It is a quantity record

    (*ii*) It is kept inside the stores

    (*iii*) It is maintained by the store-keeper

    (*iv*) The postings are done before the transactions

    Which of the following has above features :

    (A) Bin card

    (B) Material requisition note

    (C) Material transfer note

    (D) Stores ledger

15. Which of the following method of pricing of material issue is categorized as 'Notional Price Method' ?

    (A) Specific price method

    (B) Moving simple average price method

    (C) Inflated price method

    (D) Base stock price method

16. Under which of the following methods, the materials in stock are valued at the price of the latest purchases :

    (A) Base stock method

    (B) First in first out method

    (C) Last in first out method

    (D) Highest in first out method

17. The following information is related to Job No. 503 :

    Raw materials ₹ 14,000

    Direct wages (@ ₹ 110 per hour) ₹ 7,150

    Production overhead incurred for all the jobs ₹ 24,75,000 for 55,000 direct labour hours. The factory cost of the Job No. 503 will be :

    (A) ₹ 21,150

    (B) ₹ 29,015

    (C) ₹ 24,075

    (D) ₹ 26,100

18. If the loss as per cost accounts is ₹ 13,10,000 and closing stock is overvalued in cost accounts by ₹ 35,000 and factory overheads are under-absorbed in cost accounts by ₹ 48,000, the loss as per financial accounts will be :

    (A) ₹ 12,97,000

    (B) ₹ 12,27,000

    (C) ₹ 13,23,000

    (D) ₹ 13,93,000

19. ....are those materials or components which are so damaged in the manufacturing process that they cannot be repaired or reconditioned.
   (A) Waste
   (B) Scrap
   (C) Spoilage
   (D) Defectives

20. The following information is given for receipts and issues of a material in the month of May, 2021 :

Date	**Particulars**	**Quantity (kg.)**	**Rate (₹)**
May, 1	Balance	600	15
May, 4	Receipt	1,000	16
May, 11	Issue	400	–
May, 22	Issue	500	–
May, 28	Receipt	700	17
May, 31	Issue	600	–

   What issue price will be for the issue on 31st May, 2021, on the basis of weighted average price method ?
   (A) ₹ 15.625
   (B) ₹ 16.3125
   (C) ₹ 16.0435
   (D) ₹ 16.00

21. Which of the following methods of pricing of material issues, avoids price fluctuations and reduces the number of calculations and gives an acceptable figure for stock ?
   (A) First-in first out method
   (B) Last-in first out method
   (C) Simple average method
   (D) Weighted average method

22. Daily Time Sheets; Weekly Time Sheets; and Job Cards are the methods used for :
   (A) Preparation of pay-roll
   (B) Time-keeping
   (C) Time-booking
   (D) Determining indirect labour cost

23. If the overtime is due to a general pressure of work to increase the output, then the overtime premium may be charged to :
   (A) The specific job directly
   (B) General overheads
   (C) Costing profit and loss account
   (D) Any of the above

24. Which of the following are the methods of measurement of labour turnover ?
    (A) Separation rate method and Replacement method
    (B) Replacement method and Labour flux rate method
    (C) Separation rate method and Labour flux rate method
    (D) Separation rate method; Replacement method and Labour flux rate method

25. Priestman Production Bonus Plan is a :
    (A) Differential piece rate plan
    (B) Premium bonus plan
    (C) Group bonus plan
    (D) Bonus scheme for indirect workers

26. The following information is given to you :

    Standard output in 12 hours is 144 units.

    Actual output of a worker in 10 hours is 150 units.

    Time wage rate ₹ 60 per hour.

    Total earnings of the worker under Emerson's Efficiency Bonus Plan will be :
    (A) ₹ 750
    (B) ₹ 745
    (C) ₹ 870
    (D) ₹ 675

27. Most of the firms prefer to treat the learners' wages as............................as learners take more time than a trained worker.
    (A) Direct wages
    (B) Overheads
    (C) Abnormal and transferred to costing profit and loss account
    (D) Incentives

28. If the amount of work certified is 1/2 or more of the contract price :
    (A) 2/3rd of the loss disclosed, as reduced by the percentage of cash received from the contractee, should be transferred to the profit and loss account
    (B) 1/3rd of the loss disclosed, as reduced by the percentage of cash received from the contractee, should be transferred to the profit and loss account
    (C) 3/4th of the profit disclosed, as reduced by the percentage of cash received from the contractee, should be transferred to the profit and loss account
    (D) Total loss should be transferred to the profit and loss account

29. Value of work certified + Cost of work uncertified – Reserve for unrealised profit – Amount received from the contractee = ...

    (A) Contract price

    (B) Estimated cost of the contract

    (C) Work-in-progress

    (D) Amount due from the contractee

30. In an activity based costing system, the allocation basis that are used for applying costs to services or procedures are called :

    (A) Cost objects

    (B) Cost drivers

    (C) Cost pools

    (D) Cost activities

31. Production manager's salary is an example of :

    (A) Unit level activities

    (B) Batch level activities

    (C) Product level activities

    (D) Facility level activities

32. Reconciliation of cost and financial accounts is required, if accounts are maintained as :

    (A) Non-integrated accounting system

    (B) Integrated accounting system

    (C) Both integrated accounting system and non-integrated accounting system

    (D) None of the above

33. Which of the following important accounts are maintained under non-integrated accounting system ?

    (*i*) Stores ledger adjustment account

    (*ii*) Wages control account

    (*iii*) Depreciation control account

    (*iv*) WIP control account

    Select the correct answer from the options given below :

    (A) (*i*); (*ii*); (*iii*) and (*iv*)

    (B) (*i*); (*ii*) and (*iii*)

    (C) (*ii*); (*iii*) and (*iv*)

    (D) (*i*); (*ii*) and (*iv*)

34. When the production increases the fixed overhead per unit................and the variable overhead per unit.............................. .

    (A) Remain constant; should be vary

    (B) Decreases, remains constant

    (C) Remain constant; remain constant

    (D) Should be vary; should be vary

35. Which of the following is not considered as criteria for secondary distribution of overheads ?

    (A) Ability to pay

    (B) Analysis or survey

    (C) Number of service departments

    (D) Efficiency or incentive method

36. Which of the following is not a reciprocal service method of re-distribution of service departments' costs ?
    (A) Simultaneous equation method
    (B) Repeated distribution method
    (C) Step method
    (D) Trial and error method

37. If variable cost ratio is 70% of selling price and profit is ₹ 7,20,000, then margin of safety will be :
    (A) ₹ 21,60,000
    (B) ₹ 10,28,571
    (C) ₹ 24,00,000
    (D) ₹ 21,20,000

38. If Fixed cost and Break-even sales are ₹ 78 lakh and ₹ 23.40 lakh respectively, then profit will be at a sales of ₹ 95 lakh :
    (A) ₹ 5,10,000
    (B) ₹ 28,50,000
    (C) ₹ 6,40,000
    (D) ₹ 19,70,000

39. Given :

    Selling price per unit is ₹ 80; P/V Ratio is 40%; and BEP is 24,000 units.

    If selling price decrease by 10%, then new BEP will be :
    (A) 26400 units
    (B) 27200 units
    (C) 32000 units
    (D) 28800 units

40. Which of the following is not included in cost accounts ?
    (A) Penalties and fines
    (B) Interest on bank loan
    (C) Transfer fee
    (D) All of the above

41. Single or output costing method is most suitable for :
    (A) Oil refinery
    (B) Advertising
    (C) Collieries
    (D) Interior decoration

42. Which of the following costing methods is most suitable for the industries, where the production is not on continuous basis, rather it is only when order from customers is received and that too as per the specifications of the customers ?
    - (A) Process costing
    - (B) Job costing
    - (C) Batch costing
    - (D) Operating costing

43. The cost of sub-contracts is :
    - (A) A direct charge against the contract for which the work has been done
    - (B) An indirect cost to the contract for which the work has been done
    - (C) Directly charged to costing profit and loss account
    - (D) Apportioned upon all the contracts which have been completed and to be completed

44. The situation of unrealized profit in the closing stock arises in the case of :
    - (A) Process losses
    - (B) Equivalent production
    - (C) By-products and joint products
    - (D) Inter process profits

45. .... is adopted where by-products are utilised by the factory itself as input material for some other process.
    - (A) Other income method
    - (B) Reverse cost method
    - (C) Opportunity cost method
    - (D) Standard cost method

46. Which of the following is not used as a method for apportioning total joint cost over the Joint Products ?
    - (A) Average unit cost method
    - (B) Contribution margin method
    - (C) Market value method
    - (D) Standard cost method

47. Which of the following is not an item of standing charges in transport costing ?
    - (A) Garage rent
    - (B) Road license and other taxes
    - (C) Repairs and maintenance
    - (D) Supervisor's salary

48. S – ? = F + P; The term for ? will be :
    - (A) Contribution (C)
    - (B) Variable Cost (V)
    - (C) Total Cost (TC)
    - (D) BEP

49. A company which has a margin of safety of ₹ 4,00,000 makes a profit of ₹ 80,000. If its break-even sales is ₹ 25,00,000, then fixed cost will be :
    - (A) ₹ 5,00,000
    - (B) ₹ 4,80,000
    - (C) ₹ 4,50,000
    - (D) ₹ 4,40,000

50. When the sales increase from ₹ 25,00,000 to ₹ 33,00,000 and cost of sales increases from ₹ 23,20,000 to ₹ 28,00,000, the P/V Ratio will be :
   (A) 60%
   (B) 19.2%
   (C) 15.15%
   (D) 40%

51. P/V Ratio and Marginal Safety of a firm are 40% and 30% respectively. If the sales of the firm is ₹ 65,00,000, then break-even point and profit will be :
   (A) ₹ 45.5 Lakh and ₹ 26 Lakh
   (B) ₹ 19.5 Lakh ₹ 18.2 Lakh
   (C) ₹ 45.5 Lakh and ₹ 7.8 Lakh
   (D) ₹ 7.8 Lakh and ₹ 45.5 Lakh

52. Which of the following variance always shows adverse result ?
   (A) Material mix variance
   (B) Material yield variance
   (C) Labour idle time variance
   (D) Labour gang variance

53. Given :

Standard time : 50 hours @ ₹ 60 per hour

Actual wages paid : ₹ 3080 @ ₹ 55 per hour

Actual time worked : 53 hours during the period

Idle time variance will be :
   (A) ₹ 165 (F)
   (B) ₹ 165 (A)
   (C) ₹ 174.34 (A)
   (D) ₹ 180 (A)

54. The following information is given :

Standard quantity : 1200 kg. for output of 1080 kg.

Standard price : ₹ 20 per kg.

Material purchased : 1250 kg. at ₹ 26,250

Opening and closing stock of material : 200 kg. and 350 kg.

Actual output : 1026 kg.

The material cost variance will be :
   (A) ₹ 900 (F)
   (B) ₹ 2,250 (A)
   (C) ₹ 300 (A)
   (D) ₹ 5,400 (A)

55. The following information is given :

Standard quantity : 1200 kg. for output of 1080 kg.

Standard price : ₹ 20 per kg.

Material purchased : 1250 kg. at ₹ 26,250

Opening and closing stock of material : 200 kg. and 350 kg.

Actual output : 1026 kg.

The Material Usage Variance will be :
   (A) ₹ 2,000 (F)
   (B) ₹ 1,000 (A)
   (C) ₹ 2,000 (A)
   (D) ₹ 800 (F)

56. The following information is given :

Standard quantity : 1200 kg. for output of 1080 kg.

Standard price : ₹ 20 per kg.

Material purchased : 1250 kg. at ₹ 26,250

Opening and closing

stock of material : 200 kg. and 350 kg.

Actual output : 1026 kg.

The Material Price Variance will be :

(A) ₹ 1400(A)

(B) ₹ 1250(F)

(C) ₹ 1250(A)

(D) ₹ 1100(A)

57. The following information is relating to variable overheads of a company :

Budgeted production for May, 2021 : 45000 units

Budgeted variable overhead : ₹ 1,17,000

Standard time for one unit : 2 hours

Actual production for May, 2021 : 37,500 units

Actual hours worked : 67500 hours

Actual variable overhead : ₹ 1,05,000

The Variable Overhead Expenditure Variance will be :

(A) ₹ 17,250(A)

(B) ₹ 9,750(F)

(C) ₹ 7,500(A)

(D) ₹ 17,250(F)

58. .... is prepared for the estimation of plant capacity to meet the budgeted production during the budgeted period.

(A) Production planning budget

(B) Plant layout budget

(C) Plant utilization budget

(D) Plant capacity estimation budget

59. Which of the following is not a personal technique of cost audit ?

(A) Attitude survey

(B) Training method

(C) Physical verification

(D) Profitability and productivity measurement

60. **Statement–1** : Right to access at all times the books of account and vouchers of the company, whether kept at the head office of the company or elsewhere.

Statement–2 : Entitled to require from the officers of the company such information and explanations as he may think necessary for the performance of his duties as an auditor.

As per Section 143(1) of Companies Act, 2013, the above statements relating to rights of cost auditor :

(A) Only statement-1 is true

(B) Only statement-2 is true

(C) Both statements are true

(D) Both statements are false

61. Given :

Month	April, 2020	May, 2020	June, 2020
Total Sales (₹)	35 Lakh	38 Lakh	40 Lakh

20% of the sales are on cash basis and the remaining on credit basis. 2% of credit sales constitute evenly distributed bad debt losses. 50% of accounts receivables are collected in the month of the sales and the rest in the next month, then the collection from accounts receivables in the month of June, 2020 will be :

(A) ₹ 29,20,000

(B) ₹ 31,20,000

(C) ₹ 28,61,600

(D) ₹ 30,57,600

62. The cost per unit of a product manufactured in a factory amounts to ₹ 210 (80% variable) when the production is 15,000 units. If production increases by 20%, the per unit cost of production will be :

(A) ₹ 243.60

(B) ₹ 203

(C) ₹ 201.60

(D) ₹ 176.40

63. In 'make or buy' decision, it is profitable to buy from outside only when the supplier's price is below the :

(A) Firm's variable cost

(B) Firm's total cost

(C) Firm's factory cost

(D) Firm's cost of production

64. .... are those in which figures reported are converted into percentages to some common base.

(A) Comparative statements

(B) Common size financial statements

(C) Cash flow statements

(D) Comparative statements as well as Common size financial statements

65. Generally, a liquid ratio of .... and current ratio of .... are considered as ideal for a concern.

(A) 2 : 1 and 1 : 1

(B) 1.1 : 1 and 2 : 1

(C) 1.5 : 1 and 2 : 1

(D) 1 : 1 and 2 : 1

66. Net fixed assets plus working capital is equal to :

    (A) Total assets

    (B) Net worth

    (C) Capital employed

    (D) Net worth plus current liabilities

67. .... refers to the treatment of information contained in the financial statement in a way so as to afford a full diagnosis of the profitability and financial position of the firm concerned.

    (A) Preparation of financial statements

    (B) Utilization of financial statements

    (C) Analysis of financial statements

    (D) Interpretation of financial statements

68. The following information is given to you :

    Opening Receivables ₹ 2,35,000; Closing receivables ₹ 2,89,160; Average monthly sales ₹ 3,78,000, out of which 20% cash sales. Assuming 360 days in a year, the receivables collection period will be :

    (A) 20.8 days

    (B) 28.69 days

    (C) 26 days

    (D) 13.85 days

69. The companies covered under the Cost audit category shall within .... days of the commencement of every financial year, appoint a cost auditor at remuneration to be determined in accordance with provisions of section 148(3) of the Companies Act, 2013 and rules made thereunder.

    (A) 60

    (B) 90

    (C) 150

    (D) 180

70. If a company's current assets are ₹ 28,20,000; Inventory ₹ 9,30,000 and working capital ₹ 15,60,000. The liquid ratio will be :

    (A) 3.03 : 1

    (B) 1.5 : 1

    (C) 1.81 : 1

    (D) 2.24 : 1

71. If the current ratio is 3 : 1, Liquid ratio is 1.5 : 1 and working capital is 38,40,000, then current assets will be :

    (A) ₹ 1,15,20,000

    (B) ₹ 57,60,000

    (C) ₹ 76,80,000

    (D) ₹ 51,20,000

72. Given :

8,00,000 Equity shares of ₹ 10 each fully paid Profit after tax ₹ 22,80,000 (Corporate tax rate 30%)

Market price of each equity share ₹ 40 and equity dividend paid 30%.

The dividend yield on equity share will be :

(A) 21.375%

(B) 14.9625%

(C) 5.25%

(D) 7.50%

73. Given :

6,00,000 Equity shares of ₹ 10 each fully paid.

8% 2,00,000 Preference shares of ₹ 10 each fully paid.

Profit after tax ₹ 22,80,000 (Corporate tax rate 30%).

Market price of each equity share ₹ 40 and equity dividend paid 30%.

The earnings per equity share will be :

(A) ₹ 3.80

(B) ₹ 2.39

(C) ₹ 2.85

(D) ₹ 3.53

74. Given :

6,00,000 Equity shares of ₹ 10 each fully paid.

8% 2,00,000 Preference shares of ₹ 10 each fully paid.

Profit after tax ₹ 22,80,000 (Corporate tax rate 30%)

Market price of each equity share ₹ 40 and equity dividend paid 30%.

The dividend pay-out ratio will be :

(A) 78.95%

(B) 59.49%

(C) 30%

(D) 84.99%

75. Pina Ltd's. purchases are ₹ 1,155 Lakh, Sales ₹ 1,530 Lakh, Closing stock ₹ 174 Lakh and opening stock ₹ 158 Lakh. If the rate of gross profit is 25% on cost, then Inventory Turnover Ratio will be :

(A) 6.96 times

(B) 7.37 times

(C) 7.03 times

(D) 6.78 times

76. Cash receipts from royalties, fees, commissions and other revenues are examples of :

(A) Cash flow from operating activities

(B) Cash flow from investing activities

(C) Cash flow from financing activities

(D) Cash flow from either operating or investing activities

77. **Statement-1 :** In the case of financial enterprises : Cash flows arising from interest paid and interest and dividends received, should be classified as cash flows from operating activities.

    Statement-2 : In the case of other enterprises : Cash flows arising from interest paid should be classified as cash flows from financing activities. Cash flows arising from interest and dividends received should be classified as cash flows from investing activities.

    (A) Statement-1 is true only

    (B) Statement-2 is true only

    (C) Both the statements are true

    (D) None of the statements is true

78. Given :

    6,00,000 Equity shares of ₹ 10 each fully paid.

    8% 2,00,000 Preference shares of ₹ 10 each fully paid.

    Profit after tax ₹ 22,80,000 (Corporate tax rate 30%).

    Market price of each equity share ₹ 40.

    The price earning ratio will be :

    (A) 11.33 : 1

    (B) 10.53 : 1

    (C) 16.74 : 1

    (D) 14.04 : 1

79. A factor which will limit the activities of an undertaking and which is taken into account in preparing budgets, is termed as :

    (A) Environmental factor

    (B) Governing factor

    (C) Principal budget factor

    (D) All of the above

80. A method of budgeting whereby all activities are re-evaluated each time a budget is set. Discrete levels of each activity are valued and a combination chosen to match funds available, it is termed as :

    (A) Zero-Based Budgeting

    (B) Programme Budgeting

    (C) Performance Budgeting

    (D) Flexible Budget

81. Balance of plant and machinery account on 01/04/2020 and on 31/03/2021 were ₹ 51,45,000 and ₹ 61,85,000 respectively. Depreciation charged on the plant and machinery ₹ 7,71,750. If during the year one old machine costing ₹ 5,00,000 (WDV ₹ 2,35,000) was sold for ₹ 3,15,000, then purchase of plant and machinery during the year would be :

    (A) ₹ 23,11,750

    (B) ₹ 12,71,750

    (C) ₹ 20,46,750

    (D) ₹ 22,02,750

82. Machinery purchased for ₹ 18,65,000 and 1,00,000 equity shares of ₹ 10 each issued to machinery vender at a premium of ₹ 5 per share. The funds flow would be :

(A) ₹ 18,65,000

(B) ₹ 8,65,000

(C) ₹ 3,65,000

(D) ₹ 15,00,000

83. If standard time is 72 hours, then what would be time saved to getting same bonus under Halsey Plan and Rowan Plan ?

(A) 24 hours

(B) 36 hours

(C) 48 hours

(D) 18 hours

84. Given :

Rent of finished goods warehouse ₹ 75,000

Drawing office salary ₹ 72,000

Legal fees ₹ 10,000

Discount allowed ₹ 5,000

General Manager's salary ₹ 1,80,000

Consumable stores ₹ 13,500

Repairs and maintenance of plant ₹ 8,000

The amount of administrative overhead will be :

(A) ₹ 3,37,000

(B) ₹ 3,42,000

(C) ₹ 1,90,000

(D) ₹ 2,67,000

85. Which of the following is not an avoidable cause of labour turnover ?

(A) Strained relationship with management, supervisors or fellow workers

(B) Shortage of raw materials, power, slack market for the product etc.

(C) Lack of training facilities and promotional avenues

(D) Lack of recreational and medical facilities

86. Most suitable basis for apportioning canteen expenses would be :

(A) Floor area

(B) Value of machines

(C) No. of workers

(D) Direct wages

87. If prime cost is ₹ 17,80,000 and factory cost is ₹ 22,25,000, then absorption rate of factory overhead on prime cost is :

(A) 20%

(B) 25%

(C) 80%

(D) 11.11%

88. Operating costing is most suitable for :

(A) Hospital

(B) Boiler house

(C) Hotel

(D) All of the above

89. Costs are caused by a group of things being made, handled or processed at a single time are referred to as :

(A) Unit level costs

(B) Product level costs

(C) Batch level costs

(D) Organizational level costs

90. In process costing, if an abnormal gain arises, the process account is generally :

(A) Debited with the scrap value of the abnormal gain units

(B) Debited with the full production cost of the abnormal gain units

(C) Debited with the production cost minus scrap value of the abnormal gain units

(D) Credited with the full production cost of the abnormal gain units

91. .... are defined as ‘‘any saleable or usable value incidentally produced in addition to the main product.’’

(A) By-products

(B) Joint products

(C) Common products

(D) Secondary products

92. The following information is given to you :

Input of raw material is 25,000 units, output 23,950 units. If the normal loss is 5% of input, then :

(A) Normal loss of 1050 units

(B) Abnormal loss of 200 units

(C) Abnormal gain of 200 units

(D) Either abnormal loss of 200 units or abnormal gain of 200 units

93. .... refers to the method of costing followed by a business wherein a large variety of articles are produced, each differing from the other both in regard to material required and process of manufacture.

(A) Operation costing

(B) Job costing

(C) Process costing

(D) Multiple costing

94. A large angle of incidence denotes a :

(A) Good profit position

(B) Low profit position

(C) BEP at lower level of activity

(D) Low P/V Ratio

95. A best product-mix is determined on the basis of :

(A) Brand value of products

(B) Key factor

(C) Products capacity levels

(D) Selling price of products

96. Which of the following variance is also known as gang variance ?

    (A) Labour efficiency variance

    (B) Labour rate variance

    (C) Labour mix variance

    (D) Labour yield variance

97. Fixed overhead volume variance–Fixed overhead efficiency variance = ?

    (A) Fixed overhead calendar variance

    (B) Fixed overhead capacity variance

    (C) Fixed overhead expenditure variance

    (D) Fixed overhead idle time variance

98. Methods of cash budget are :

    (A) Receipts and payments method; Adjusted profit loss account method and Balance sheet method

    (B) Receipts and payments method; Adjusted profit and loss account method and cash flow statement method

    (C) Receipts and payments method; Direct method and Indirect method

    (D) Cash from operation method; Adjusted profit and loss account method and Balance sheet method

99. The following details are given to you :

Raw Material Consumed	?
Direct Labour Cost	?
Factory Overhead	₹ 1,35,000 (60% of Direct Labour Cost)
Factory Cost	₹ 6,40,000

The amount of raw material consumed and direct labour cost will be :

    (A) ₹ 4,24,000 and ₹ 81,000

    (B) ₹ 2,80,000 and ₹ 2,25,000

    (C) ₹ 2,25,000 and ₹ 2,80,000

    (D) ₹ 2,02,000 and ₹ 3,03,000

100. The following information is given :

Input of raw material @ ₹ 50 per unit	10,000 units
Direct Material	₹ 1,50,000
Direct Wages	₹ 90,000
Production Overhead	₹ 1,15,500
Actual output transferred to next process	9,800
Normal Loss	5%
Sale of scrap	₹ 20 per unit

The amount of abnormal gain would be credited to costing profit and loss account :

    (A) ₹ 19,665

    (B) ₹ 25,665

    (C) ₹ 26,700

    (D) ₹ 20,700

Space for Rough Work

 ANSWERS MARKED IN THE OMR ANSWER SHEET SHALL ONLY BE EXAMINED