



**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 1: BASIC OF COST ACCOUNTING**

1].....does not deal with the accumulation, classification, analysis, allocation, summarization, interpretation, reporting and control of current and perspective costs.

- A] Cost Accounting
- B] Financial Accounting
- C] Cost Accountancy
- D] Practice

2] The amount of expenditure incurred on, or attributable to, a specified thing or an activity or cost unit is known as .

- A] Product
- B] Cost
- C] Batch
- D] Financial Accounting

3] The aggregate amount of all the items of expenses paid or payable for the particular product or service is called as .

- A] Direct cost
- B] Committed cost
- C] Total Cost
- D] Marginal cost

4].....cost represents the increase or decrease in total cost which occurs with change in output.

- A] Conversion cost
- B] Marginal cost



**MULTIPLE CHOICE QUESTIONS**

C] Explicit cost

D] Method

5] The expenses which can be directly charged to jobs, products, processes, cost centers or cost units is termed as .

A] Direct Cost

B] Indirect Cost

C] Committed Cost

D] Reduction of cost

6] The Technique and .....of ascertaining the cost is known as Costing.

A] Batch

B] Method

C] Process

D] Batch costing

7]..... is applied where production is carried out as per specific order and customer specifications.

A] Batch costing

B] Job costing

C] Contract costing

D] Fixed expense

8] Marginal costing is also known as.....costing

A] Variable

B] Semi-variable

C] Fixed

D] Historical costing



**MULTIPLE CHOICE QUESTIONS**

9].....is the system of costing under which costs are determined after they have been incurred.

- A] Uniform costing
- B] Historical costing
- C] Standard costing
- D] Cost Accounting

10] The branch of accounting dealing with the classification, recording, allocation, summarization and reporting of current and prospective costs is known as .

- A] Cost Accountancy
- B] Costing
- C] Cost Accounting
- D] Advantages

11] The term.....is comprehensively used to include various aspects such as costing, cost accounting, cost control, cost audit and budgetary control.

- A] Cost Accountancy
- B] Costing
- C] Cost Accounting
- D] Inventory control

12].....is concerned with ascertainment of cost.

- A] Cost Accountancy
- B] Costing
- C] Cost Accounting
- D] Management control



**MULTIPLE CHOICE QUESTIONS**

13].....is concerned with accounting and recording of costs.

- A] Cost Accountancy
- B] Costing
- C] Cost Accounting
- D] Ascertainment of cost

14].....is concerned with formulation and / or application of principles, methods and techniques of costing.

- A] Cost Accountancy
- B] Costing
- C] Cost Accounting
- D] Calculation of cost

15] The evolution of cost accounting took place because of .....of financial accounting.

- A] Advantages
- B] Limitations
- C] Merits
- D] Management control

16].....helps the management to eliminate inefficiencies caused by material wastage, use of obsolete machinery, improper planning etc.

- A] Financial Accounting
- B] Cost Accounting
- C] Environmental Accounting
- D] Management control



**MULTIPLE CHOICE QUESTIONS**

17].....covers accounts of whole business relating to all commercial transactions.

- A] Cost Accounting
- B] Financial Accounting
- C] Environmental Accounting
- D] Reduction of cost

18] A unit of quantity of product, service or time, in relation to which cost may be ascertained or expressed is known as .

- A] Cost Centre
- B] Cost Sheet
- C] Cost Unit

19] A location, person or item of equipment for which costs may be ascertained and used for the purposes of cost control is known as .

- A] Cost Centre
- B] Cost Sheet
- C] Cost Unit
- D] both (a) and (b)

20] The cost unit for the Gas Industry is

- A] Per gallon
- B] Per tonne
- C] Cubic Meter
- D] Calculation of cost

21. Costing is a technique of.....

- A] Inventory control



**MULTIPLE CHOICE QUESTIONS**

- B] Management control
- C] Ascertainment of cost
- D] Calculation of cost

22. Cost accounting has been developed because of.....of financial accounting.

- A] Limitations
- B] Expenditure
- C] Statutory requirements
- D] both (a) and (b)

23. Cost accountancy is the science, art and of cost accountant.

- A] Profession
- B] Management
- C] Administration
- D] Practice

24. In automobile industry cost unit is.....

- A] Number
- B] Automobile quality
- C] Number of automobile industry
- D] Either (a) or (c)

25. Cost unit in a college may be.....

- A] teacher
- B] Non teacher staff
- C] Student
- D] Number of departments



**MULTIPLE CHOICE QUESTIONS**

26.....costing is suitable for mines, quarries, cement works etc.

- A] Process
- B] Contract
- C] Batch
- D] Operation

27.....is an extension of job costing.

- A] Process costing
- B] Batch costing
- C] Contract costing
- D] Operation costing

28. When job is very big and spread over long periods of time the method of costing adopted is

- A] Process
- B] Job
- C] Contract
- D] Operation

29. Continuous costing is also called

- A] Operation costing
- B] Process costing
- C] Batch costing
- D] Contract costing

30. The methods of job evaluation include:

- A] Grading
- B] Ranking



**MULTIPLE CHOICE QUESTIONS**

- C] Points value
- D] All of the above

31. Cost accounting is based on.....figures.

- A] Approximated
- B] Estimated
- C] Historical
- D] Either (a) or (c)

32.....costing is used in transport undertaking.

- A] Operating
- B] Standard
- C] Marginal
- D] Service

33. In.....costing the cost of a group of products is ascertained.

- A] Process
- B] Job
- C] Batch
- D] Service

34. The total of all direct expenses is known as

- A] Total cost
- B] Overhead
- C] Prime cost
- D] Work cost





**MULTIPLE CHOICE QUESTIONS**

35. An opportunity cost is a.....

- A] Direct expense
- B] Indirect expense
- C] Variable expense
- D] Fixed expense

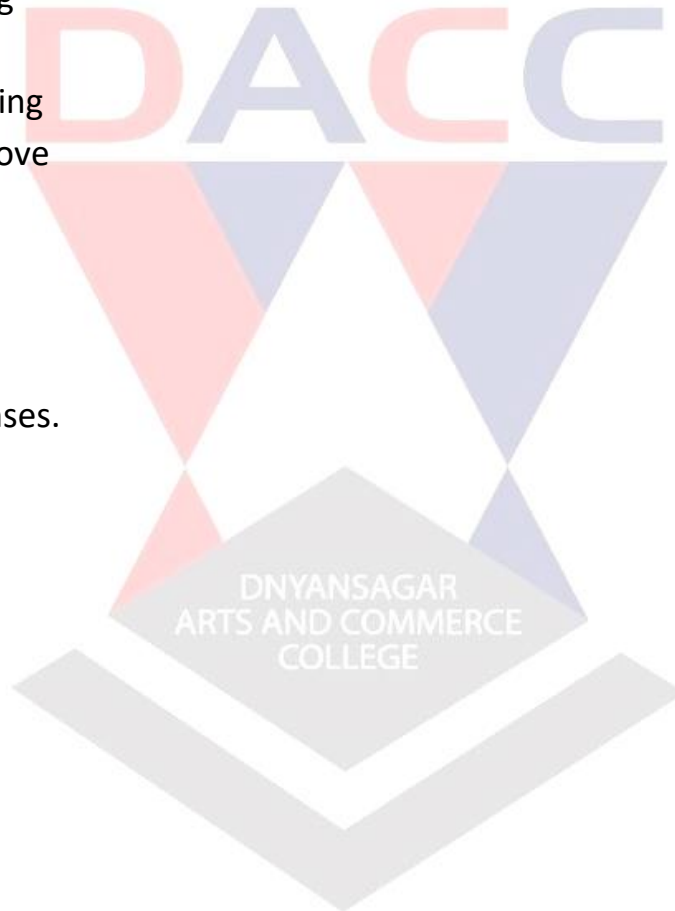
ANSWERS: -

- 1] Financial Accounting
- 2] Cost
- 3] Total Cost
- 4] Marginal Cost
- 5] Direct Cost
- 6] Process
- 7] Job costing
- 8] Variable
- 9] Historical costing
- 10] Cost Accounting
- 11] Cost Accountancy
- 12] Costing
- 13] Cost Accounting
- 14] Cost Accountancy
- 15] Limitations
- 16] Cost Accounting
- 17] Financial Accounting
- 18] Cost Unit
- 19] Cost Centre
- 20] Cubic Meter



**MULTIPLE CHOICE QUESTIONS**

- 21] Inventory control
- 22] Expenditure
- 23] Practice
- 24] Automobile quality
- 25] Student
- 26] Operations
- 27] Batch costing
- 28] Contract
- 29] Process costing
- 30] All of the above
- 31] Estimated
- 32] Service
- 33] Batch
- 34] Prime Cost
- 35] Direct Expenses.





**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 2: ELEMENTS OF COST**

1] Material, Labour and Expenses are the three important..... of cost.

- A] Methods
- B] Elements
- C] Techniques

2].....cost is the cost of commodities supplied to an undertaking.

- A] Material
- B] Labour
- C] Expenses

3] Direct Labour Cost is also known as.....

- A] Indirect Labour
- B] Indirect Wages
- C] Direct Wages

4] The expenses which cannot be directly identified with a particular unit or cost centre is known as .....

- A] Indirect Labour
- B] Indirect material
- C] Indirect expenses

5].....expenses are also called as chargeable expenses.

- A] Partly direct and partly indirect
- B] Indirect
- C] Direct



**MULTIPLE CHOICE QUESTIONS**

6] The aggregate of indirect material, indirect labour and indirect expenses in termed as.....

- A] Material Cost
- B] Overheads
- C] Labour Cost

7] The overhead cost incurred from the stage of procurement of raw material till the stage of production of finished goods is known as..... .

- A] Office overheads
- B] Factory overheads
- C] Selling overheads

8] Office overheads are also known as .....overheads.

- A] Factory
- B] Selling
- C] Administrative

9] The cost of activities relating to create and stimulate demand for company's products and to secure orders is known as.....overheads.

- A] Administrative
- B] Factory
- C] Selling and Distribution

10] Non-cost items are those which are ..... from the cost.

- A] Excluded
- B] Included
- C] Partly included



**MULTIPLE CHOICE QUESTIONS**

11] Classification of cost into factory cost, administrative cost, selling & distribution cost and research and development cost is done on the basis of.....

- A] Elements
- B] Functions
- C] Time

12] The cost that remains unchanged in spite of change in volume of production is known as.....

- A] Fixed cost
- B] Variable cost
- C] Semi-variable cost

13].....cost is partly variable and partly fixed.

- A] Fixed cost
- B] Semi-variable cost
- C] Variable cost

14].....is a statement showing cost of production of a particular product.

- A] Tender
- B] Quotation
- C] Cost sheet

15] The total of works cost and administrative overheads is known as . \

- A] Prime cost
- B] Cost of Production
- C] Works cost



**MULTIPLE CHOICE QUESTIONS**

16].....is the total of prime cost and factory overheads.

- A] Cost of production
- B] Works cost
- C] Cost of material consumed

17] Consumables are treated as.....overheads in cost sheet.

- A] Factory
- B] Office
- C] Selling and Distribution

18] If the total cost of a product is Rs.25, 000/- and the sales figure is 47,000/-, then the product is in.....by Rs.22, 000/-.

- A] Loss
- B] Profit
- C] Neither profit nor loss

19] In cost sheet the expenses on discount allowed are considered under..... overheads.

- A] Factory
- B] Office
- C] Selling and Distribution

20] .....cost is predetermined cost for each element of cost.

- A] Marginal
- B] Historical
- C] Standard



**MULTIPLE CHOICE QUESTIONS**

21] Which of the following is not used as a base for apportionment of administration overheads?

- A] Direct wages
- B] Works cost
- C] Conversion cost
- D] Sales value

22] In accounting for labour cost:

- A] Direct labour cost and indirect labour cost are charged to prime cost
- B] Direct labour cost and indirect labour cost are charged to overheads
- C] Direct labour cost is charged to prime cost and indirect labour cost is charged to overheads
- D] All of the above

23] Depreciation is a ..... Expense

- A] Fixed
- B] Variable
- C] Semi – variable

24]..... Cost per unit does not change with change in activity level

- A] Overhead
- B] Variable
- C] Fixed

25] Telephone expense is a ..... Expense

- A] Fixed
- B] Variable
- C] Semi – variable



**MULTIPLE CHOICE QUESTIONS**

26] Cost accounting is the art, science and ..... cost of accountant

- A] Profession
- B] Management
- C] Administration

27] ..... May be a location, a person, or an item of equipment or group of there

- A] Cost centre
- B] Cost unit
- C] Profit center

28] ..... Is defined on the guidance and regulation by executive action of cost operating and under taking

- A] Cost reduction
- B] Cost control
- C] Cost estimation

29]..... is the cost incurred in the part has no effect on future decision making

- A] Sunk cost
- B] Historical cost
- C] Imputed cost

30] Machine hour rate in the cost of running a machine

- A] Per hour
- B] Per day
- C] Per work





**MULTIPLE CHOICE QUESTIONS**

31. Direct expense are also called ..... Expenses.

- A] Variable
- B] Chargeable
- C] Fixed

32. Cost of production is also called .....if there is no selling and distribution expense

- A] Cost of sales
- B] Office cost
- C] Factory cost

33] If cost of sales exceeds sales it will be

- A] Profit
- B] Loss
- C] Gain

34] Statement prepared to show the different elements of cost

- A] Time sheet
- B] Cost sheet
- C] Work sheet

35] Variable cost increases

- A] As in the sales goes up
- B] As the production goes up
- C] As the fixed expenses goes up



**MULTIPLE CHOICE QUESTIONS**

36] On the basis of ..... cost can be classified into fixed and variable.

- A] Behavior
- B] Element
- C] Function

37] Direct expense are also called ..... expenses

- A] Semi-variable
- B] Chargeable
- C] Fixed

38] Operating costing is applicable to

- A] Transport
- B] Hospitals
- C] Electricity

39] Rent on own building is a .....

- A] Sunk cost
- B] Imputed cost
- C] Opportunity cost

40] When material prices fluctuate widely the method of pricing that gives a best result in

- A] Simple average
- B] Weighted average
- C] FIFO



**MULTIPLE CHOICE QUESTIONS**

ANSWERS:--

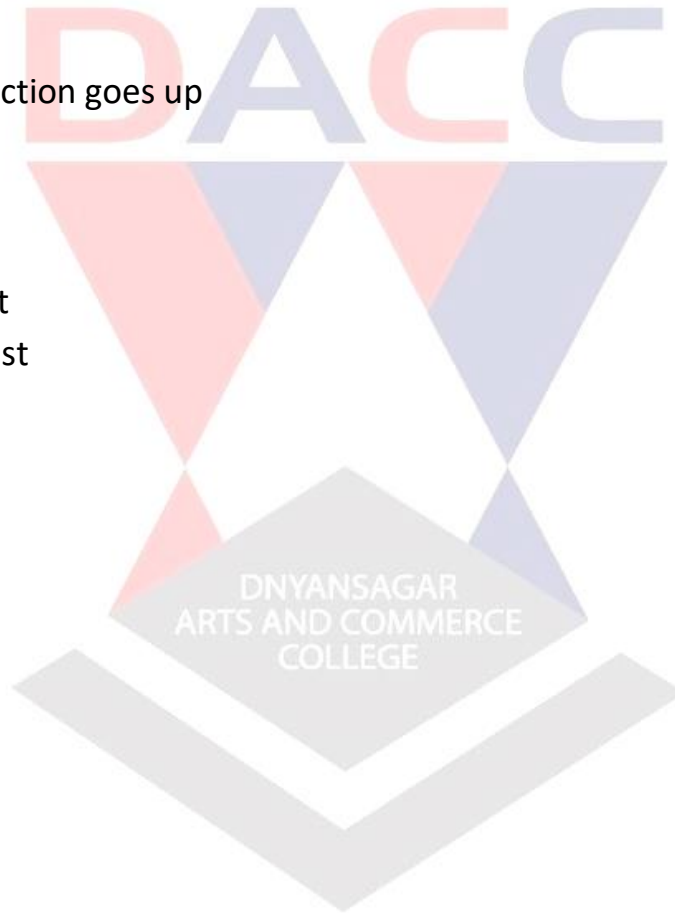
- 1] Elements
- 2] Material
- 3] Direct Wages
- 4] Indirect Expenses
- 5] Direct
- 6] Overheads
- 7] Factory Overheads
- 8] Administrative
- 9] Selling and Distribution
- 10] Excluded
- 11] Functions
- 12] Fixed cost
- 13] Semi-variable cost
- 14] Cost sheet
- 15] Cost of production
- 16] Works cost
- 17] Factory
- 18] Profit
- 19] Selling and Distribution
- 20] Standard
- 21] Direct Wages
- 22] Direct labour cost is charged to prime cost and indirect labour cost is charged to overheads
- 23] Fixed
- 24] Variable
- 25] Semi Variable
- 26] Profession



**MULTIPLE CHOICE QUESTIONS**

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- 27] Cost Centrer
- 28] Cost Reduction
- 29] Sunk Cost
- 30] Per Hour
- 31] Chargeable
- 32] Office Cost
- 33] Loss
- 34] Cost Sheet
- 35] As the production goes up
- 36] Behavior
- 37] chargeable
- 38] Transport
- 39] Imputed Cost
- 40] Weighted Cost





**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 3: MATERIAL CONTROL**

- 1] ..... is the first and most important element of cost.
- A] Expenses
  - B] Labour
  - C] Material
- 2] The term.....refers to all commodities that are consumed in the process of production, assembly and fabricated parts
- A] Labour
  - B] Material
  - C] Expenses
- 3] The term.....is defined as a system that ensures the provision of the required quantity of material of the required quality at the required time with the minimum amount of capital.
- A] Material Control
  - B] Labour Control
  - C] Marketing Control
- 4].....purchase procedure should be installed to ensure that the purchases are made at favourable prices.
- A] Marginal
  - B] Standard
  - C] Joint
- 5] The term .....may be defined as the systematic control over the procurement of materials.



**MULTIPLE CHOICE QUESTIONS**

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A] Material control

B] Purchase control

C] Sales control

6] The organisation of the purchase department depends on the.....of the organisation and its likely quantum of purchase.

A] Size

B] Number of managers

C] Number of workers

7].....is the head of the purchase department.

A] Sales Manager

B] Purchase Manager

C] Marketing Manager

8] Purchase.....is to be prepared to know what to buy, what should be the quantity, quality and price.

A] requisition

B] order

C] budget

9] One of the objective of .....is to avoid under and overstocking of material.

A] Scientific Purchasing

B] Purchasing

C] Sales control

10] The.....must maintain a proper classified record of all purchases, uses and stock of materials.

A] Costing officer



**MULTIPLE CHOICE QUESTIONS**

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B] Purchase manager

C] stores clerk

11] The receipt of.....is the first step in purchase procedure.

A] Invoice

B] Material requisition

C] Purchase requisition

12] The Purchase.....is a contractual document which authorizes the supplier to supply the material.

A] Note

B] Requisition

C] Order

13].....forms the basis of entries to the stores ledger.

A] Purchase Order

B] Goods Received Note

C] Purchase Requisition

14] The stock level at which the storekeeper initiates purchase requisitions is known as.....

A] Re-order level

B] Danger level

C] Maximum stock level

15].....is a buffer stock level or safety stock level under which the stock should not be allowed to fall.

A] Average stock level

B] Maximum stock level



**MULTIPLE CHOICE QUESTIONS**

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C] Minimum stock level

16] The formula  $\text{Maximum consumption} \times \text{Maximum reorder period}$  is used to compute.....

A] Re-order level

B] Maximum stock level

C] Minimum stock level

17] The average stock level is..... units if the maximum stock level is 2475 units and the minimum stock level is 855 units.

A] 1565

B] 1665

C] 1465

18] The optimum level of inventory is popularly referred to as the .....

A] Minimum stock level

B] Re-order stock level

C] Economic Order Quantity

19] In the formula of Economic Order Quantity, the alphabet 'O' stands for.....

A] Ordering level

B] Ordering Cost

C] Ordering & Carrying Cost

20] Economic Order Quantity is the tool for controlling.....

A] Inventory

B] Labour

C] Expenses





**MULTIPLE CHOICE QUESTIONS**

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21. Which of the following is not an inventory?

- A] Machines
- B] Raw material
- C] Finished products
- D] Consumable tools

22. The following classes of costs are usually involved in inventory decisions except

- A] Cost of ordering
- B] Carrying cost
- C] Cost of shortages
- D] Machining cost

23. The cost of insurance and taxes are included in

- A] Cost of ordering
- B] Set up cost
- C] Inventory carrying cost
- D] Cost of shortages

24. 'Buffer stock' is the level of stock

- A] Half of the actual stock
- B] At which the ordering process should start
- C] Minimum stock level below which actual stock should not fall
- D] Maximum stock in inventory

25. The minimum stock level is calculated as

- A]  $\text{Reorder level} - (\text{Normal consumption} \times \text{Normal delivery time})$
- B]  $\text{Reorder level} + (\text{Normal consumption} \times \text{Normal delivery time})$
- C]  $(\text{Reorder level} + \text{Normal consumption}) \times \text{Normal delivery time}$
- D]  $(\text{Reorder level} + \text{Normal consumption}) / \text{Normal delivery time}$



**MULTIPLE CHOICE QUESTIONS**

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26. Which of the following is true for Inventory control?

- A] Economic order quantity has minimum total cost per order
- B] Inventory carrying costs increases with quantity per order
- C] Ordering cost decreases with lo size
- D] All of the above

27. The time period between placing an order its receipt in stock is known as

- A] Lead time
- B] Carrying time
- C] Shortage time
- D] Over time

28. Re-ordering level is calculated as

- A] Maximum consumption rate x Maximum re-order period
- B] Minimum consumption rate x Minimum re-order period
- C] Maximum consumption rate x Minimum re-order period
- D] Minimum consumption rate x Maximum re-order period

29. Average stock level can be calculated as

- A] Minimum stock level +  $\frac{1}{2}$  of Re-order level
- B] Maximum stock level +  $\frac{1}{2}$  of Re-order level
- C] Minimum stock level +  $\frac{1}{3}$  of Re-order level
- D] Maximum stock level +  $\frac{1}{3}$  of Re-order level

30.The Economic Order Quantity (EOQ) is calculated as

- A]  $(2D*d/h)^{1/3}$
- B] Root of  $2AO / C$
- C]  $COST + Profit = Sales$
- D] none of the above



**MULTIPLE CHOICE QUESTIONS**

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31. The order cost per order of an inventory is Rs. 400 with an annual carrying cost of Rs. 10 per unit. The Economic Order Quantity (EOQ) for an annual demand of 2000 units is

- A] 400
- B] 440
- C] 480
- D] 500

ANSWERS:---

- 1] Material
- 2] Material
- 3] Material Control
- 4] Standard
- 5] Purchase control
- 6] Size
- 7] Purchase Manager
- 8] Budget
- 9] Scientific purchasing
- 10] Purchase manager
- 11] Purchase requisition
- 12] Order
- 13] Goods Received Note
- 14] Re-order level
- 15] Minimum stock level
- 16] Re-order level
- 17] 1665
- 18] Economic Order Quantity



**MULTIPLE CHOICE QUESTIONS**

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- 19]    Ordering Cost
- 20]    Inventory
- 21]    Machines
- 22]    Machining Cost
- 23]    Inventory carrying cost
- 24]    Minimum stock level below which actual stock should not fall
- 25]    Reorder level – (Normal Consumption X Normal Delivery Time)
- 26]    All of the Above
- 27]    Lead Time
- 28]    Maximum Consumption Rate
- 29]    Minimum Stock Level +  $\frac{1}{2}$  of Re order Level
- 30]    Root of  $2AO/ C$
- 31]    400





**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 4: MATERIAL ACCOUNTING**

1] Proper classification and codification of various items in stores is essential for efficient..... .

- A] Record keeping
- B] Storage
- C] Selling

2]..... is the grouping of material according to its nature.

- A] Classification
- B] Codification
- C] Centralization

3].....is the procedure for assigning symbols to the material.

- A] Classification
- B] Codification
- C] Centralisation

4] The .....method of codification is generally based on the mnemonic system.

- A] Alphabetical
- B] Numerical
- C] Alpha-Numerical

5].....is the organisational head of the stores department.

- A] Storekeeper
- B] Purchase Manager
- C] Stores clerk



**MULTIPLE CHOICE QUESTIONS**

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6] Maintaining prompt and accurate records of all goods received, issued and returned is the duty of .....

- A] Inspection clerk
- B] Goods receiving clerk
- C] Storekeeper

7] The.....is maintained by the storekeeper.

- A] Bin Card
- B] Sales report
- C] Production report

8] The stores ledger is maintained by the ..... department.

- A] Stores
- B] Cost
- C] Purchase

9].....is a record of both quantities and values.

- A] Bin Card
- B] Stores Ledger
- C] Inspection report

10]..... method of pricing issues follows the principle that material received first are issued first.

- A] Weighted Average
- B] LIFO
- C] FIFO

11] Under the..... method of pricing issues, stock is valued at historical price.

- A] FIFO



**MULTIPLE CHOICE QUESTIONS**

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B] LIFO

C] Simple Average

12] Simple average method is based on the principle that materials issues should be valued at ..... average price.

A] Weighted

B] Simple

C] Periodic

13] Under..... method of pricing issues, issues are valued at a price calculated by dividing the total cost of material in the stock by the total quantity of material in stock.

A] Simple average

B] Weighted average

C] Last in First out

14].....stores organization is adopted to store all the goods at centrally located at on place.

A] Centralized

B] Central stores with sub-stores.

C] Independent

15] Under..... method of pricing material issue the value of closing stock represents the current market price.

A] Weighted Average

B] LIFO

C] FIFO

16] The unused materials are returned to stores with a material .....note.



**MULTIPLE CHOICE QUESTIONS**

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- A] Acceptance
- B] Transfer
- C] Return

17].....method of pricing material issues provides a better matching of current costs with current revenues.

- A] FIFO
- B] LIFO
- C] Simple Average

18].....is a master requisition which lists all the materials required for the completion of a job.

- A] Bill of Material
- B] Purchase Requisition
- C] Material Requisition

19] Advantage of both centralized buying and storage of having stock conveniently available at several issuing points are possible in..... system of stores organization.

- A] Independent stores
- B] Central stores with Sub-stores
- C] Centralised Stores

20] Bin Card is also known as.....

- A] Stock Card
- B] Cost Card
- C] Purchase Card



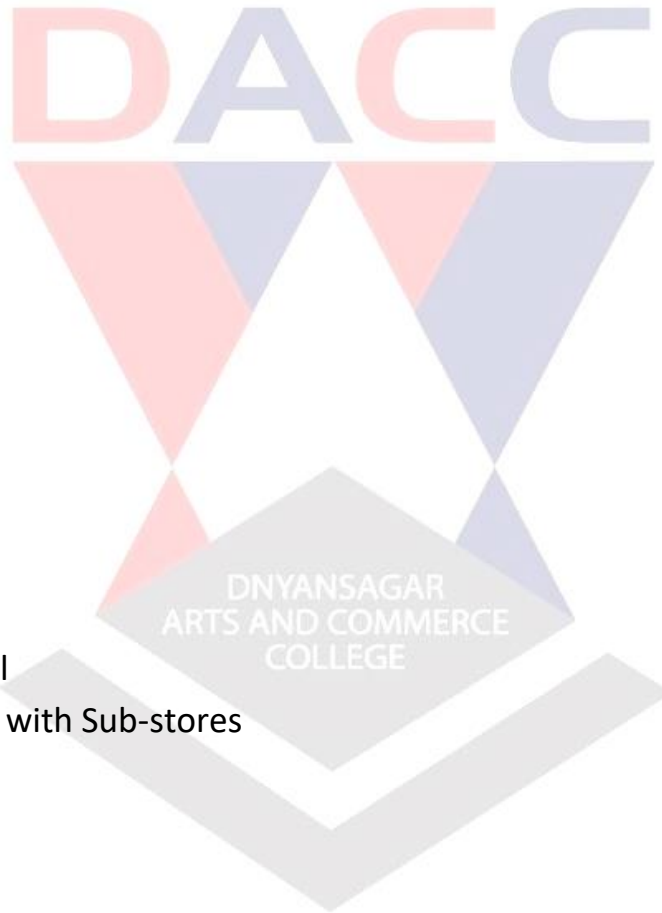


**MULTIPLE CHOICE QUESTIONS**

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ANSWERS:-----

- 1] Storage
- 2] Classification
- 3] Codification
- 4] Alphabetical
- 5] Storekeeper
- 6] Storekeeper
- 7] Bin Card
- 8] Cost
- 9] Stores Ledger
- 10] FIFO
- 11] LIFO
- 12] Simple
- 13] Weighted
- 14] Centralised
- 15] FIFO
- 16] Return
- 17] LIFO
- 18] Bill of Material
- 19] Central stores with Sub-stores
- 20] Stock Card





**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 5: INVENTORY CONTROL**

- 1] Inventory Control is an important part of.....management.
- A] Material
  - B] Labour
  - C] Expenditure
- 2] A system which ensures the provision of the required quantity of inventories of the required quality at the required time with the minimum amount of capital is known as .....
- A] Labour Control
  - B] Inventory Control
  - C] Costing
- 3] To help ..... in taking inventory decisions is one of the objectives of inventory control.
- A] Workers
  - B] Management
  - C] Consumers
- 4].....involves verifying the physical quantities of stores in hand.
- A] Pricing of Issues
  - B] Material control
  - C] Stock taking
- 5] Stock taking is essential to know the correctness of the balances shown in bin cards and.....accounts.
- A] Suspense



**MULTIPLE CHOICE QUESTIONS**

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- B] Financial
- C] Store ledger

6] Stock verification sheet is also known as .....sheet.

- A] Inventory
- B] Evaluation
- C] Performance

7].....inventory system is a method of recording stores balances at the time of each receipt and issue, to facilitate regular checking and stock taking.

- A] Continuous
- B] Periodic
- C] Perpetual

8].....is the portion of raw material lost in processing, storage and handling having no recoverable value.

- A] Scrap
- B] Waste
- C] Spoilage

9].....is the incidental residue from certain types of manufacture usually of low value recoverable without further processing.

- A] Spoilage
- B] Waste
- C] Scrap

10].....is the result of various causes such as substandard materials, bad supervision, and carelessness in planning etc.

- A] Defective work



**MULTIPLE CHOICE QUESTIONS**

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- B] Scrap
- C] Wastage

11].....is defined as the materials which in the process of manufacture are badly damaged and beyond rectification and thus the goods ought to be disposed off as seconds.

- A] Wastage
- B] Spoilage
- C] Scrap

12] ABC analysis is an important .....of inventory control.

- A] Process
- B] Method
- C] Technique

13] ABC analysis is a technique of material control according to .....

- A] Number
- B] Value
- C] Quality

14] Inventory turnover is a .....of the value of materials consumed during a period to the average value of inventory during the period.

- A] Percentage
- B] Ratio
- C] Index

15].....helps the management to know the fast and slow moving material in stock.

- A] Inventory ratio



**MULTIPLE CHOICE QUESTIONS**

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- B] Stock levels
- C] Pricing of issues

16] A higher inventory turnover ratio indicates that the material item is .....moving.

- A] Non-moving
- B] Slow
- C] Fast

17] A high turnover ratio means.....risk of pilferage.

- A] Lower
- B] Higher
- C] Constant

18] Material Turnover Ratio is computed by dividing.....with the average stock.

- A] Total cost
- B] Cost of material consumed
- C] Inventory ratio

19] Cost of material consumed is computed by deducting closing stock from the total of opening stock and .

- A] Sales
- B] Purchases
- C] Consumables

20] In ABC analysis the category 'A' includes items with small quantity but high .

- A] Weight
- B] Value
- C] Density

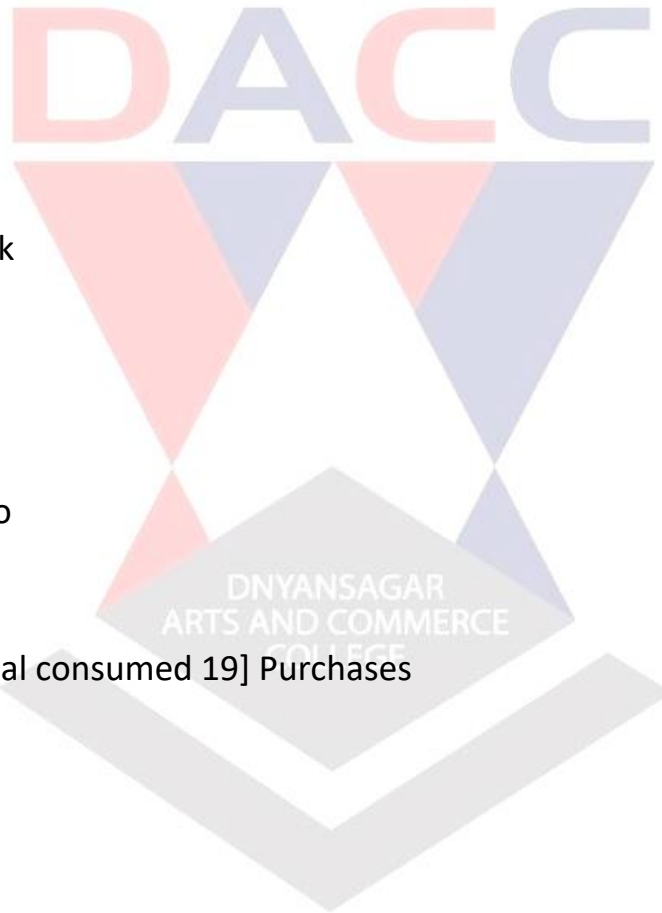


**MULTIPLE CHOICE QUESTIONS**

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ANSWERS:-----

- 1] Material
- 2] Inventory control
- 3] Management
- 4] Stock taking
- 5] Store Ledger
- 6] Inventory
- 7] Perpetual
- 8] Waste
- 9] Scrap
- 10] Defective work
- 11] Spoilage
- 12] Technique
- 13] Value
- 14] Ratio
- 15] Inventory ratio
- 16] Fast
- 17] Lower
- 18] Cost of material consumed
- 19] Purchases
- 20] Value





**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 6: LABOUR COST, REMUNERATION AND INCENTIVES**

1].....is the recording of the attendance of a worker.

- A] Time Booking
- B] Time Keeping
- C] Job Card

2].....is the recording particulars of work done or time spent on each job, process or operation.

- A] Time booking
- B] Time keeping
- C] Clock card

3] The most popular and simplest form of time keeping is maintaining a .....in which the employee signs on his arrival and departure.

- A] Clock card
- B] Disc method
- C] Manual register

4] Efficient time booking helps to minimize .....

- A] Idle time
- B] Profit
- C] Productivity

5] A sound wage system should ensure.....guaranteed wages to each worker.

- A] Maximum
- B] Minimum
- C] Poor



**MULTIPLE CHOICE QUESTIONS**

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6]..... is the price of compensation or consideration paid for labour and services offered by the workers.

- A] Bonus
- B] Remuneration
- C] Fees

7]..... card is meant for a job which involves many operations or stages of completion.

- A] Time and Job card
- B] Job ticket
- C] Labour cost card

8].....wage rate system is applied where quality of work is more important than the quantity.

- A] Piece rate
- B] Time rate
- C] Halsey premium plan

9] Under.....wage rate system the workers are paid on the basis of unit of output.

- A] Rowan premium plan
- B] Time
- C] Piece

10] Under Taylor's Differential Piece Rate System, the standard time for a job is fixed up by..... study.

- A] Time
- B] Motion
- C] Time and Motion





**MULTIPLE CHOICE QUESTIONS**

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11].....pays the same amount of bonus to beginners and the efficient workers.

- A] Taylor's Differential Plan
- B] Halsey Premium Plan
- C] Rowan Premium Plan

12] Under.....plan financial security is ensured as less efficient workers are assured of their time wages.

- A] Rowan Premium Plan
- B] Taylor's Differential Plan
- C] Halsey Premium Plan

13] Piece rate wages are computed by multiplying number of units produced by .

- A] Rate per hour
- B] Rate per unit
- C] Rate per day

14] Time rate wages are computed by multiplying by rate per hour.

- A] Units produced
- B] Standard hours fixed
- C] Actual hours worked

15] For computing..... in percentage, the actual production is divided by standard production and multiplied by 100.

- A] Inefficiency
- B] Efficiency
- C] Idle time



**MULTIPLE CHOICE QUESTIONS**

16] If the actual production is 1700, standard production 2000 then the percentage of efficiency is .....

- A] 65%
- B] 75%
- C] 85%

17] Mr.Anil produces 150 units in 8 hours. He is paid at the rate of Rs.7 per hour. He is also paid a Dearness Allowance of Rs.15 for 8 hours work. His total earnings under Time wage rate are Rs. ....

- A] 1215
- B] 71
- C] 176

18] The trade unions always on priority welcome..... rate system for their earnings.

- A] Time
- B] Piece
- C] Taylors Differential Plan

19] .....remuneration attracts efficient labour force

- A] Average
- B] Low
- C] High

20] Maintaining the record of time keeping is the prime duty of .....

- A] Production department
- B] Time office
- C] Security department



**MULTIPLE CHOICE QUESTIONS**

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21].....reward not only the direct workers, but also the indirect workers who assist the direct workers

- A] Halsey scheme
- B] Rowan scheme
- C] Group bonus scheme

22] Group bonus is divided among the workers of the group in proportion to the .....by them

- A] Hours worked
- B] Rate per hour
- C] Basic wage earned

23].....scheme creates team spirit which in turn leads to high output

- A] Time rate
- B] Piece rate
- C] Group bonus

24].....plan provide more wages to workers

- A] Time rate
- B] Rowan plan
- C] Halsey plan

25] Daily time sheets should be signed by.....

- A] Production manager
- B] Purchase manager
- C] Foreman

26] The card given to a worker where workers are paid on piece basis in

- A] Job card



**MULTIPLE CHOICE QUESTIONS**

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B] Time card

C] Piece work card

27] The time taken for personnel needs and tea breaks is .....time

A] Abnormal idle time

B] Normal idle time

C] None of them

28.The time wasted due to strikes or lockouts in the factory

A] Abnormal idle time

B] Normal idle time

C] None of them

29..... card prepared to know the responsible for idle time

A] Job card

B] Piece work card

C] Idle Time card

30. Absorption of overheads signifies a process of \_\_\_\_\_

A] Distribution of overheads to all departments

B] Charging of overheads to individual products or job

C] Identification of overheads with individuals cost centers

31. When the under over absorbed overhead amount is significant, it should be disposed off by

A] Transferring to costing profit and loss account

B] Using supplementary rate

C] Carry over to next year



**MULTIPLE CHOICE QUESTIONS**

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32. .... expenses will move up by jumps if the output exceeds the capacity

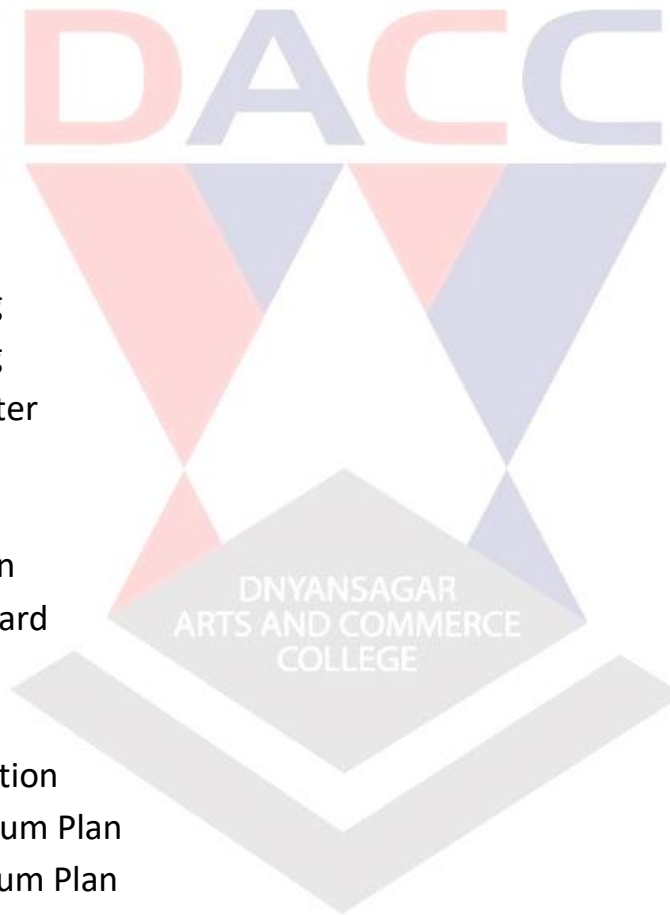
- A] Variable expenses
- B] Fixed expenses
- C] Material expenses

33. Heavy bad debts are treated as.....

- A] Normal
- B] Abnormal
- C] None of them

**ANSWERS:**

- 1] Time Keeping
- 2] Time booking
- 3] Manual register
- 4] Idle time
- 5] Minimum
- 6] Remuneration
- 7] Labour cost card
- 8] Time rate
- 9] Piece
- 10] Time and Motion
- 11] Rowan Premium Plan
- 12] Halsey Premium Plan
- 13] Rate per unit
- 14] Actual hours worked
- 15] Efficiency
- 16] 85%
- 17] 71





**MULTIPLE CHOICE QUESTIONS**

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- 18] Time
- 19] High
- 20] Time office
- 21] Halsey scheme
- 22] Basics wages earned
- 23] Group Bonus
- 24] Halsey Plan
- 25] Purchase Manager
- 26] Piece Work Card
- 27] None of the above
- 28] Normal Idle Time
- 29] Job Card
- 30] Identification of overheads with individuals cost centres
- 31] Business Supplementary Rates
- 32] Fixed Expenses
- 33] Abnormal





**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 7: OTHER ASPECTS OF LABOUR**

1]..... is the rate of change in the working staff of a concern during a definite period.

- A] Labour rate
- B] Labour turnover
- C] Labour measurement

2] Change of line for betterment is the .....cause of labour turnover.

- A] Personal
- B] Avoidable
- C] Un-avoidable

3] Unfair methods of production is the.....cause of labour turnover.

- A] Un-avoidable
- B] Personal
- C] Avoidable

4] Retrenchment due to seasonal trade is the.....of labour turnover.

- A] Avoidable
- B] Un-avoidable
- C] Personal

5] Delay in production is the.....of labour turnover.

- A] Cause
- B] Effect
- C] Provision



**MULTIPLE CHOICE QUESTIONS**

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6] The cost that is incurred to provide facilities to the workers so that they don't quit the factory is known as..... cost.

- A] Replacement
- B] Preventive
- C] Separation

7] Cost of selection and placement of new workers is a ..... cost.

- A] Preventive
- B] Replacement
- C] Flux

8] Separation, Replacement and .....are the three important methods of measuring labour turnover.

- A] Preventive
- B] Flux
- C] Avoidable

9] Under.....method labour turnover rate is calculated by dividing the number of workers leaving the organisation during the period by the average number of workers on the payroll during that period.

- A] Flux
- B] Replacement
- C] Separation

10] Under.....method labour turnover rate is calculated by dividing the number of workers replaced during the period by the average number of workers on the payroll during that period.

- A] Replacement
- B] Separation





**MULTIPLE CHOICE QUESTIONS**

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C] Flux

11] Under.....method of labour turnover rate is calculated by dividing the total number of workers left and replaced in that period by the average number of workers on the payroll during that period.

A] Replacement

B] Flux

C] Separation

12] Labour turnover rate is always expressed in terms of.....

A] Ratio

B] Index

C] Percentage

13].....is a process of gathering, analyzing and synthesizing information regarding the operations, duties and responsibilities of a specific job.

A] Job evaluation

B] Job analysis

C] Job specification

14] The process of analysis and assessment of each job determining its worth in relation to all other jobs within an organisation in order to provide a basis for wages and salary structure is known as..... .

A] Job evaluation

B] Job specification

C] Job analysis

15].....method is a method of job evaluation.

A] Job description



**MULTIPLE CHOICE QUESTIONS**

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- B] Ranking
- C] Job specification

16]..... gives details regarding the job, its tasks and elements, the equipment's and tools required to perform the job.

- A] Job specification
- B] Job description
- C] Job evaluation

17].....seeks to rate on employee's performance on the basis of their performance records.

- A] Performance appraisal
- B] Merit rating
- C] Job evaluation

18] Providing opportunity for self-development is one of the objective of.....

- A] Job Evaluation
- B] Job analysis
- C] Merit rating

19] Job ..... helps the management in facilitating promotions. Placements and transfers.

- A] Analysis
- B] Specification
- C] Evaluation

20] Under.....method of job evaluation, each job is analysed in terms of job factors.

- A] Point Rating



**MULTIPLE CHOICE QUESTIONS**

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B] Factor comparison

C] Grading

**ANSWERS:**

- 1] Labour turnover
- 2] Personal
- 3] Avoidable
- 4] Un-avoidable
- 5] Cause
- 6] Preventive
- 7] Replacement
- 8] Flux
- 9] Separation
- 10] Replacement
- 11] Flux
- 12] Percentage
- 13] Job analysis
- 14] Job evaluation
- 15] Ranking
- 16] Job description
- 17] Merit rating
- 18] Merit rating
- 19] Evaluation
- 20] Point Rating





**MULTIPLE CHOICE QUESTIONS**

**CHAPTER 8: DIRECT COST**

1] The term..... is the one which is identifiable as belonging exclusively to a particular process, product, and unit.

- A] Direct Cost
- B] Indirect Cost
- C] Standard Cost

2] Every.....of cost is divided into direct cost and indirect cost.

- A] Factor
- B] Element
- C] Part

3] Direct .....are those which can be identified in the product and can be measured.

- A] Expenses
- B] Labour
- C] Material

4] Direct.....enter the product and form a part of finished product.

- A] Expenses
- B] Labour
- C] Materials

5] The cost of direct material is termed as.....

- A] Direct labour cost
- B] Direct material cost
- C] Overheads



**MULTIPLE CHOICE QUESTIONS**

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6] All workers who are directly engaged in manufacturing activity are known as .....labour.

- A] Direct
- B] Indirect
- C] Contract

7] Wages paid to direct workers are known as .....

- A] Direct labour cost
- B] Indirect labour cost
- C] Direct material cost

8] Wages paid to direct labour are also known as.....wages.

- A] Productive
- B] Compensative
- C] Indirect

9] Wages paid to carpenter is the example of direct.....

- A] Material
- B] Overheads
- C] Labour

10] Cost of leather used in shoe making is the example of direct.....

- A] Overheads
- B] Labour
- C] Material

11] The .....include all types of expenses other than direct materials and direct labour which are incurred for a particular product or job.



**MULTIPLE CHOICE QUESTIONS**

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- A] Direct labour
- B] Direct expenses
- C] Direct material

12] Direct expenses are also known as .....expenses.

- A] Indirect
- B] Productive
- C] Chargeable

13] The expenses which can be identified with and allocated to cost centers and cost units are termed as.....

- A] Direct material
- B] Direct labour
- C] Direct expenses

14] Fees paid to Architect is the example of.....

- A] Direct labour
- B] Direct expenses
- C] Direct material

15] The total of direct material, direct labour and direct expenses is known as.....

- A] Works Cost
- B] Prime Cost
- C] Cost of Production



**MULTIPLE CHOICE QUESTIONS**

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**ANSWERS:-**

- 1] Direct Cost
- 2] Element
- 3] Material
- 4] Materials
- 5] Direct material cost
- 6] Direct
- 7] Direct labour cost
- 8] Productive
- 9] Labour
- 10] Material
- 11] Direct expenses
- 12] Chargeable
- 13] Direct expenses
- 14] Direct expenses
- 15] Prime Cost

