

**TELANGANA UNIVERSITY**  
**S.S.R. DEGREE COLLEGE, NIZAMABAD (C.C:5029)**  
**V SEMESTER INTERNAL ASSESSMENT II EXAMINATIONS**  
**COST ACCOUNTING QUESTION BANK**

---

I. Multiple choice questions.

1. The number of piece rates suggested by Taylor are [b]  
a) Three                      b) Two                      c) Four                      d) Five
2. The number of piece rates suggested by Merrick are [b]  
a) Two                      b) Three                      c) Four                      d) Five
3. \_\_\_\_\_ of overhead expenses refers to the charging of expenses that can be identified wholly with a particular department. [a]  
a) Allocation                      b) Absorption                      c) Apportionment                      d) None
4. \_\_\_\_\_ is the process of splitting of overhead expenses and charging them to different cost centers on equitable basis. [b]  
a) Allocation                      b) Absorption                      c) Apportionment                      d) None
5. \_\_\_\_\_ is not based on double entry system [b]  
a. Production A/c                      b. Cost sheet                      c. Both                      d. None
6. \_\_\_\_\_ is based on double entry system [a]  
a. Production A/c                      b. Cost sheet                      c. Both                      d. None
7. \_\_\_\_\_ is not useful for preparing tenders and quotations [a]  
a. Production A/c                      b. Cost sheet                      c. Both                      d. None
8. \_\_\_\_\_ is useful for preparing tenders and quotations [b]  
a. Production A/c                      b. Cost sheet                      c. Both                      d. None
9. Under \_\_\_\_\_ costing method, costs are collected and accumulated for each job, work order separately [b]  
a. Contract                      b. Job                      c. Unit                      d. None
10. \_\_\_\_\_ costing is applicable to printers, machine tools manufacturers and general engineering works [a]  
a. Job                      b. Contract                      c. Unit                      d. None
11. \_\_\_\_\_ costing is used in sugar mills, Cement works, Bricks works etc [c]  
a. Job                      b. Contract                      c. Unit                      d. None
12. Process costing is employed in the following types of industries \_\_\_\_\_ [d]  
a. Iron and steel                      b. Oil refining                      c. Paper Mills                      d. All of the above
13. Examples of normal loss are \_\_\_\_\_ [c]  
a. Loss in weight                      b. Scrap                      c. Both                      d. None
14. Abnormal loss is treated as \_\_\_\_\_ cost and written off to P & L a/c in [a]  
a. Period                      b. Process                      c. Unit                      d. None
15. \_\_\_\_\_ results when actual loss is less than the normal predetermined process loss [b]  
a. Abnormal loss                      b. Abnormal gain                      c. Normal loss                      d. None
16. An input of 1000 kgs of material is introduced into the process and expected loss is 5% and if the actual output from the process is 925kgs, the abnormal loss is \_\_\_\_\_ kgs. [b]  
a. 50                      b. 25                      c. 75                      d. None
17. If the amount of certified work is less than \_\_\_\_\_ of the contract price, then no profit should be taken to P & L A/c [b]  
a. 40%                      b. 25%                      c. 50%                      d. 30%
18. Contract costing is used in \_\_\_\_\_ industries [d]  
a. Construction of bridges                      b. Civil Constructions                      c. Ship building                      d. All of the above

19. Work certified plus work uncertified appearing in contract A/c is called \_\_\_\_\_ [b]  
 a. Total work                                      b. Work in progress                                      c. Work complete                                      d. None
20. \_\_\_\_\_ money services as a security with the contractee and may be adjusted against any defective work found later. [b]  
 a. Advance                                      b. Retention                                      c. Bonus                                      d. None

II. Fill in the blanks

1. The Cost sheet is most widely used in case of unit or output costing
2. The Unit costing system is used in case of industries like breweries, Brick works, Diaries, Sugar mills, Paper Mills etc.
3. The system of Cost accounting in which costs are determined per unit of a single product in a continuous manufacturing activity is known as Unit costing
4. If the information relating to cost incurred, selling price and profits loss during a period is presented in the form of an account, it is called as Production account
5. Like cost sheet there is no fixed form for production account which is prepared according to the needs of management.
6. Statement of cost and profit when presented in "T" form is production A/c
7. In job costing each job is a cost unit to which all costs are assigned
8. Process costing is used in industries where materials pass through two or more process in such a way that output of one process is input for the next process
9. Loss inherent in the production process is normal loss
10. Excess of actual loss over normal loss is Abnormal Loss
11. Excess of actual output over normal output is Abnormal gain
12. Abnormal process loss should be transferred to costing P & L A/c
13. Contract costing is that form of specific order costing under which each contract is treated as cost unit
14. Work certified is that portion of the work completed which has been approved by contractees architect.
15. Work uncertified is that portion of the work completed which has not been certified by the contractees architect.