

**Question Bank- Unit I**  
**(Cost Accounting (ACCT-232))**

- **State whether the following statements are True or false?**

Q 1: The process of accounting divided into three streams i.e. financial Accounting, cost Accounting & management accounting.

True or False

**Answer: True**

**Q2.** Cost Accounting is a branch of Financial Accounting?

True or False?

**Answer: False**

**Q3.** Cost accounting is concerned with recording, classifying and summarizing costs for determination of costs of products or service

True or False?

**Answer: True**

**Q4.** The scope/ Objective of Cost Accounting includes Cost ascertainment, Cost presentation & Cost Control

True or False?

**Answer: True**

**Q5.** Cost means the amount of expenditure (actual or notional) incurred on, or attributable to, a given thing.

True or False?

**Answer: True**

**Q6.** Cost control means the control of costs by the Owner

True or False?

**Answer: False**

- **Fill in the blanks of the followings:**

**Q7.....**Costs change in proportion to the level of production activity, while fixed costs remain unchanged.

Various/ Variable

**Answer: Variable**

**Q8.** Direct material Direct labour+ Direct Expenses= .....

Total Cost/ Prime Cost

**Answer: Prime Cost**

**Q9.** Cost of Production + Selling Expenses= .....

Work Cost/ Total Cost

**Answer: Total Cost**

**Q10.** Prime Cost + Factory Overheads+ Opening Stock of work in progress- Closing stock of work in progress=.....

Factory Cost/ Prime Cost

**Answer: Factory Cost**

**Q11.** Work Cost + Administrative Overheads= .....

Factory Cost/ Cost of Production

**Answer: Cost of Production**

**Q12.** Cost can be classified into.....Categories?

**Nine / Eight**

**Answer: Nine**

**Q13.** Wood used in producing doors it should be..... Cost?

Fixed Cost/ **Variable Cost**

**Answer: Variable Cost**

- **Tick the correct answer of the followings:**

**Q14.** Among the following heads which one is directly related with direct materials

(a) Wages of Security guards for factory

(b) Purchase of goods

(c) Office computer

**Answer: (d) Purchase of goods**

Q15. The main purpose of Cost accounting is to:

- (a) Maximize profits                      (b) Minimize loss                      (c) Help management in taking decisions by providing information

**Answer: (c) Help management in taking decisions by providing information**

Q16. Cost Accounting mainly helps the management in

- (a) Earning extra profit    (b) Providing information to the management  
(c) Fixing prices of the products    (d) all of the above

**Answer: (b) providing information to the management**

Q17. Cost accounting provides all of the following information except

- (a) Product costs                      (b) Cost of goods sold                      (c) Inventory values  
(d) Cash Forecast

**Answer: (d) Cash Forecast**

Q18. Which of the following would not be included on a balance sheet?

- a. Accounts receivable.  
b. Accounts payable.  
**c. Sales.**  
d. Cash.

**Answer: (c) Sales.**

Q19. Which of the following would not be included on Costing?

- (a) Material  
(b) Labour  
(c) Expenses  
(d) Premises

**Answer: (d) Premises**

Q20. Which of the following would not be directly related with the indirect material?

- (a) Lubricants  
(b) Printing and stationery  
(c) Timber/ Wood in furniture  
(d) Packing material

**Answer: (c) Timber/ Wood in furniture**