1. Lubricants used irregularly in production process are classified as*
   a) Misc. expenses
   b) Direct material
   c) Indirect material
   d) Immaterial item

2. A person who receives a benefits without giving money or money's worth immediately is known as …*
   a) Debtor
   b) Creditor

3. Subscription to technical journal will be posted under ……. in cost sheet*
   a) Administrative overheads
   b) Selling overheads
   c) Factory overheads
   d) Distribution overheads

4. ………..forms substantial & significant part of finished product which is capable of easy identification*
   a) Indirect material
   b) Direct material
   c) Capital
   d) Indirect labour

5. The main purpose of cost accounting is ……..*
   a) To maximum profit
   b) To minimum losses
   c) To help management in taking decisions by providing information
   d) None of the above

6. The basic sequence in the accounting process can best be described as *
   a) Transaction, journal entry, source document, ledger account, trail balance
   b) Source document, Transaction, ledger account, journal entry, trail balance
   c) Transaction, Source document, journal entry, trail balance, ledger account

d) Transaction, Source document, journal entry, ledger account, trail balance

7. Which of the following is excluded from cost sheet*
   a) Donation
   b) Capital losses
   c) Provision for income tax
   d) All of the above

8. Ledger is the book of ….*
   a) Original entry
   b) Secondary entry
   c) All cash transaction
   d) All non -cash transaction

9. Classification of cots according to behavior is*
   a) Material cost, labour cost & other expenses
   b) Fixed cost, labour cost, Semi- variable cost
   c) Production cost, office cost, selling & distribution cost
   d) Historical cost, & predetermined cost

10. A direct cost is one which….. *
    a) Is not worth the effort of tracing to a specific cost object.
    b) Remains constant no matter the activity level
    c) Can easily & conveniently traced to a specific cost object

11. Prime cost + factory overheads =
    a) Works cost
    b) Cost of goods sold
    c) Cost of production
    d) Total cost

12. ……….is a summary of all transactions relating to particular account *
    a) Balance sheet
    b) Trial balance
    c) Ledger
    d) Journal

13. ……….per unit always changes according to change in output *

a) Fixed cost
b) Variable cost
c) Joint cost
d) Sunk cost

14. Which of the following is not example of fixed asset? *
a) Plant & machinery
b) Land & building
c) Royalty
d) Patents

15. Fixed cost are also know as …….*
a) Specific cost
b) Period cost
c) Annual cost
d) None of the above

16. Variable cost per unit …..*
a) Remains fixed
b) Fluctuates with the volume of production
c) Varies in sympathy with volume of sales
d) All of the above

17. Goodwill is …..*
a) Current asset
b) Fictitious asset
c) Tangible asset
d) Intangible asset

18. …….is equal to the maximum possible alternative earning that might have been earned if the productive capacity had been put to some alternate use *
a) Sunk cost
b) Differential cost
c) Opportunity cost
d) Incremental cost

19. Direct material + direct labour + direct expenses = ?
a) Factory cost
b) Prime cost

c) Cost of production
d) None of the above

20. Hiring of special purpose plant is posted under ………..in cost sheet *
a) Direct expenses
b) Factory overheads
c) Office overheads
d) Distribution expense

21. Sunk cost are irrelevant for …….*
a) Standard costing
b) Marginal costing
c) Budgetary control
d) Decision making

22. Calculate the prime cost from the following information:
Direct material purchase : rs 1,00,000 , Direct material consumed rs 90,000, Direct labour : rs 60,000, direct expense rs 20,000 , manufacturing overheads : rs 30, 000
a) 1,80,000
b) 2,00,000
c) 1,70,000
d) 2,10,000

23. The basic function of financial accounting is to ……..*
a) Record all the business transactions
b) Interpret the financial data
c) Assist the management in performing function effectively
d) None of the above

24. Any expense that gives benefit for a period of less than twelve months is called ………*
a) Capital expense
b) Revenue expense
c) Revenue receipt
d) Deferred expense

25. Internal user of accounting information are …..*
a) Creditor

b) Management
c) Government