**QUESTION BANK**

**COST ACCOUNTING**

**Subject code:-16CCCCM7**

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**UNIT-1**

Section-A

1. Define cost.
2. Define cost accounting.
3. What is costing?
4. What is cost unit?
5. What is cost centre?
6. What is Profit centre?
7. What is Normal cost?
8. What is Abnormal cost?
9. What is Fixed cost?
10. What is Variable cost?
11. What is semi-variable cost?
12. What is Historical cost?
13. What is Marginal cost?
14. What is Replacement cost?
15. What is Opportunity cost?
16. What is shutdown cost?
17. What is Capital cost?
18. What is Revenue cost?
19. What is Cost sheet?

Section-B

1. Explain briefly the objectives of cost accounting.
2. Discuss the advantages of cost accounting.
3. What are the limitations of cost accounting?
4. Discuss the characteristics of a good costing system.
5. What is cost sheet and What are its uses?
6. Critically examine the objectives raised against cost accounting.

Section-C

1. Distinguish between financial accounting and cost accounting.
2. “Cost accounting has become an essential tool in the hands of management” Discuss.
3. Discuss the various elements of cost with examples.
4. Discuss the various classifications of cost.
5. Bring out the distinction between Management accounting and Cost accounting.
6. Explain the steps to be taken for the installation of a costing system.
7. Distinguish between cost centre and profit centre.
8. Discuss the various elements of cost and give the example for each.
9. Discuss the various ways in which costs may be classified.
10. Describe the different methods of costing.

**UNIT-II**

Section-A

1. What is Bin card?
2. What is Bill of material?
3. What is FIFO method?
4. What is LIFO method?
5. What is Stores ledger?
6. Give the formula for Maximum level.
7. Give the formula for Minimum level.
8. Give the formula for Reorder level.
9. Give the formula for Danger level.
10. Expand EOQ.

Section-B

1. What do you understand by material control?
2. What are the advantages of material control?
3. What is overtime? How is it treated in cost accounting?

Section-C

1. What are the essentials of a good system of material control?
2. What do you understand by ABC analysis?
3. Describe the factors to be considered while determining the maximum level, minimum level, reorder level and reorder quantity.
4. Discuss the different methods of Time keeping.
5. Write short notes on the following :-(i)Direct labour(ii) Indirect labour.

UNIT-III

Section-A

1. What do you mean by “Job Card”?
2. What is Idle Time?
3. What is overtime?
4. What is Direct labour?
5. What is Indirect labour?
6. What is Normal idle time?
7. What is Abnormal idle time?
8. Give the formula for Labour turnover by using separation method.
9. Give the formula for Labour turnover by using replacement method.
10. Give the formula for Labour turnover by using flux method.
11. What is labour turnover?
12. What is perpetual inventory?
13. What do you mean by incentive scheme of wage payment?

Section-B

1. What is labour turnover? What are its causes?
2. What is Idle Time? Give reasons for Idle time.
3. What are the advantages of time rate system?
4. What are the disadvantages of time rate system?
5. What are the advantages of piece rate system?
6. What are the disadvantages of piece rate system?

Section-C

1. How do you treat Idle Time in cost accounting?
2. Mention the steps to reduce labour turnover.
3. Explain briefly the different methods of measurements of labour turnover.
4. Breifly explain the features of a good wage system.
5. Distinguish between time rate and piece rate system.
6. Distinguish between Halsey plan and Rowan plan.
7. Differentiate the perpetual inventory than periodical inventory.
8. Distinguish between continuous stock taking and periodical stock taking.
9. Describe the different methods of pricing of materials issues.
10. Briefly explain the documents used in the process of material control.
11. Give the formula for the followings:-1.Reorder level 2.Maximum consumption 3.Average stock level 4.Reorder quantity 5.Minimum level 6.E.O.Q

UNIT-IV

Section-A

1. Define Overhead.
2. What is Cost allocation?
3. What is Cost absorption?
4. What is Machine hour rate?
5. What is Factory overhead?
6. What is Administrative overhead?
7. What is Selling overhead?
8. What is Distribution overhead?
9. What is Fixed overhead?
10. What is Variable overhead?
11. What is Semi-variable overhead?
12. What is Normal overhead?
13. What is Abnormal overhead?
14. What is Controllable overhead?
15. What is Uncontrollable overhead?
16. What is Notional rent?

Section-B

1. Distinguish between Allocation and Apportionment.
2. What is Machine hour rate? How it is calculated?
3. What is meant by departmentalization of overhead expenses?
4. What do you understand by under absorption and over absorption of overheads?

Section-C

1. Mention the bases of apportionment for the expenses.
2. Explain the different methods of classification of overheads.
3. Explain the procedure to reconcile cost and financial accounts at the end of an accounting period.
4. Explain the necessary for reconciliation of cost and financial accounts.
5. Discuss different methods of overheads absorption. Explain its merits and demerits.

UNIT-V

Section-A

1. What is Job costing?
2. Expand EBQ.
3. What is Contract costing?
4. What is Direct wages?
5. What is Direct expenses?
6. What is Wok-in-progress?
7. What is Uncertified work?
8. What is Notional profit?
9. What is Process costing?
10. What is Abnormal loss?
11. What is Abnormal gain?
12. Give the formula for calculating Abnormal loss.
13. Give the formula for calculating Abnormal gain.
14. Give the formula for calculating Operating costing.
15. What do you mean by Batch costing?
16. What is process costing?
17. What is Operating costing?

Section-B

1. What is contract costing? Explain its features.
2. Give a specimen of a contract account.
3. Distinguish between Job costing and process costing.

Section-C

1. Draw a pro-forma of cost sheet for a transport company showing distinctly fixed cost, operating & maintenance costs.
2. Explain the different methods of calculating profit on an incomplete contract.
3. Explain the advantages and limitations of Process costing.
4. Explain normal loss, abnormal loss and abnormal gain.
5. Discuss the methods applied for valuation of work-in-progress.