

FILL IN THE BLANKS

(CHAPTER WISE)

ON

COST ACCOUNTING

For

CMA-INTER

BY

SUMIT RASTOGI

CMA, B.COM (HONS)

SUMIT RASTOGI CLASSES

D-223, 3rd FLOOR, LAXMI CHAMBER, LAXMI NAGAR, DELHI-92

TOPIC COVERED

1. INTRODUCTION TO COST ACCOUNTING	1
2. MATERIAL COST (CAS-6)	2
3. EMPLOYEE COST (CAS-7)	3
4. DIRECT EXPENSES (CAS-10)	4
5. OVERHEADS (CAS-3)	5
6. COST ACCOUNTING STANDARDS	6
7. COST BOOK KEEPING	7
8. METHODS OF COSTING	9
9. MARGINAL COSTING	10
10. STANDARD COSTING	11
11. BUDGETARY CONTROL	12

1. INTRODUCTION TO COST ACCOUNTING

FILL IN THE BLANKS

1. Differential cost is the change in the cost due to change in _____ from one level to another.
2. Management accounting is primarily concerned with _____.
3. In Cost Accounting stock are valued at _____ only.
4. Profit is the resultant of two varying factors viz _____ and _____.
5. _____ cost are historical costs which are incurred in the past.
6. A responsibility center in which a manager is responsible for costs only is called _____.
7. _____ costs are not considered for decision making because all past costs are not relevant.
8. _____ expenses are not included in the cost sheet.

ANSWER

- (1) activity
- (2) management
- (3) cost
- (4) sales, cost
- (5) sunk
- (6) Cost Centre
- (7) Sunk
- (8) Notional

2. MATERIAL COST (CAS-6)**FILL IN THE BLANKS**

1. Store Ledger is kept and maintained in _____.
2. Goods Received Note is prepared by the _____.
3. Transfer of surplus material from one job or work order is recorded in _____.
4. _____ is discount allowed to the bulk purchaser.
5. _____ is a document which records the return of unused materials.

ANSWER

1. Cost department
2. Receiving department
3. Material Transfer Note
4. Quantity Discount
5. Material return Note

3. EMPLOYEE COST (CAS-7)**FILL IN THE BLANKS:**

1. In a company there were 1200 employee on the rolls at the beginning of a year and 1180 at the end. During the year 120 persons left services and 96 replacements were made. The labour turnover to flux method is _____ %.
2. In _____ systems, two-piece rates are set for each job.
3. In _____ Systems, basic of wages payment is the quantity of work.
4. The formula for computing wages under time rate is _____.
5. In Halsey plan, a worker gets bonus equal to _____ of the time saved.
6. Under Gantt Task Bonus Plan, no bonus is payable to a worker, if his efficiency is less than _____.
7. Wages sheet is prepared by _____ department.
8. Cost of normal idle time is charged to _____.
9. Idle time arises only when workers are paid on _____ basis.
10. Normal idle time costs should be change to _____ which that due to abnormal reasons should be change to _____.

ANSWER

1. 9.08,
2. Taylor differential piece rate,
3. Piece rate,
4. Hour worked x rate per hour,
5. 50%,
6. 100%,
7. Pay Roll Department,
8. Factory Overhead,
9. Time,
10. Factory Overhead & Costing P/L A/c

4. DIRECT EXPENSES (CAS-10)**FILL IN THE BLANKS:**

1. Direct Expenses relating to _____ or _____.
2. Penalties/ damages paid to statutory authorities' _____ be form part of Direct Expenses.
3. A Direct Expenses related to a _____ form part of the Prime Cost.
4. Direct Expenses incurred for brought out resources shall be determined at _____.
5. Direct Expenses incurred lump-sum shall be _____.

ANSWER

1. Manufacture of a product or rendering of service,
2. Shall Not,
3. Product,
4. Invoice Price,
5. Amortized.

5. OVERHEADS (CAS-3)**Fill in the Blanks:**

1. Overheads are an aggregate of _____ and _____ and _____.
2. Example of after sales services are _____ and _____.
3. Administration overheads are usually absorbed as a percentage of _____.
4. The difference between actual and absorbed factory overhead is called _____.
5. The term used for charging of overheads to cost units is known as _____.
6. The difference between practical capacity and the capacity based on sales expectancy is known as _____.
7. The _____ rate is computed by dividing the overheads by the aggregate of the productive hours of direct workers.
8. Under or over absorption of overheads arises only when overheads are absorbed by _____.
9. Overhead incurred ₹ 16,000 and overhead absorbed ₹ 15,300. There is under absorption of ₹ _____.
10. In Absorption Costing _____ cost is added to inventory.

ANSWER

1. Indirect material, Indirect Labour and Indirect Expenses,
2. Repair and Maintenance and replacement of Components,
3. Works Cost,
4. under or over absorbed overheads,
5. absorptions,
6. idle capacity,
7. direct labour hour,
8. predetermined overheads rates,
9. ₹ 700,
10. Fixed cost

6. COST ACCOUNTING STANDARDS

FILL IN THE BLANKS:

1. CAS 9 stands for _____.
2. The _____ of the CASB will be nominated by the council of The Institute of Cost Accountants of India.
3. _____ nominees from the regulators like CAG, RBI to the CASB Board.
4. CAS _____ stands for cost of service cost centre.
5. The function of CASB is to assist the members in preparations of uniform _____ under various statutes.

ANSWER

1. Packing Material Cost
2. Chairman
3. Four
4. 13
5. Cost Statement

7. COST BOOK KEEPING

FILL IN THE BLANKS:

1. Prime cost + Overheads = _____
2. Total cost + Profit = _____
3. _____ + Profit = Sales.
4. Direct Material + _____ + Direct Expenses = Prime Cost.
5. Salary paid to factory manager is an item of _____.
6. In Reconciliations Statements, Incomes shown only in financial accounts are _____.
7. In Reconciliations Statements, Expenses shown only in cost accounts are _____.
8. In Reconciliations Statements, Under-Recovered overheads in cost accounts are _____.
9. In Reconciliations Statements, Over Recovered overheads in cost accounts are _____.
10. Notional remuneration to owner is expense debited only in _____.
11. All the transactions relating to materials are recorded through _____.
12. The net balance of _____ represents net profit or net loss.
13. WIP ledger contains the accounts of all the _____ which are under _____.
14. The two traditional systems of accounting for integration of cost and financial accounts are the _____ and _____.
15. Under integrated accounting system, the accounting entry for payment of wages is to debit _____ and to credit cash.

ANSWER

1. Total cost,
2. Selling Price,
3. Cost of Sales,
4. Direct wages,
5. Factory Overhead,
6. Added to costing profit,
7. Added to costing profit,
8. Deducted from costing profit,
9. Added to costing profit,
10. Cost Accounts,
11. Store ledger control accounts,
12. Costing profit and loss account,
13. Jobs and Execution,
14. Double entry method and Third entry method
15. Wages control Accounts

Third Entry Method:

Third entry is a variant of integrated accounts. In this case, in the financial books as ordinarily maintained, an account called Cost Ledger Control Account is debited whenever any expenditure relating to costs is incurred. This debit is in addition to the ordinary and usual accounts to be debited.

8. METHODS OF COSTING

Fill in the Blanks:

1. Cost of _____ loss is not borne by good units.
2. If the actual loss in a process is less than the normal loss, the difference is known as _____.
3. _____ Costs are incurred after split off point.
4. The _____ product generally has a greater sale value than by product.
5. Statement of cost per unit of equivalent production shows the per unit cost _____.
6. Two principle methods of evaluation of equivalent production are _____ and _____.
7. In hospital the cost unit is _____.
8. In electricity companies, the cost unit is _____.
9. The method of costing used in undertaking like gas companies, cinema houses, hospitals etc. is known as _____.
10. In motor transport costing two example of fixed cost are _____ and _____.

ANSWER

1. Abnormal,
2. Abnormal gain,
3. Subsequent,
4. main,
5. Element wise,
6. FIFO and Average method,
7. per bed,
8. Kilowatt,
9. Operating costing,
10. Insurance and Depreciation

9. MARGINAL COSTING

FILL IN THE BLANKS

1. Variable cost per unit is _____.
2. Marginal cost is the _____ of sales over contribution.
3. P/V ratio is the ratio of _____ to sales.
4. If variable cost to sales ratio is 60%, P/V ratio is _____.
5. _____ + Variable overhead = Marginal Cost.
6. When sales are ₹ 300,000 and variable cost is ₹ 180,000, P/V ratio will be _____.
7. Variable cost remains _____.
8. Margin of safety is _____.
9. Breakeven point is _____.
10. Contribution margin equals to _____.

ANSWER

1. Fixed/Constant,
2. Excess,
3. Contribution,
4. 40%,
5. Prime cost,
6. 40%,
7. fixed per unit,
8. Actual sales- Sales at breakeven point,
9. Total Fixed cost/ P/V ratio,
10. Sales – Variable cost.

10. STANDARD COSTING

FILL IN THE BLANKS

1. Standard cost is a _____ cost.
2. Standard cost when fixed is recorded on _____ card.
3. Historical costing uses post period costs while standards costing uses _____ costs.
4. Three types of standards are _____.
5. The _____ is usually the coordinator of the standards committee.
6. Standards cost when fixed recorded on _____ card.
7. Basically, there are two types of standards viz, a) Basic standards, and _____.
8. When actual cost is less than the standards cost, it is known as _____ variance.
9. Standard Costing is one of the _____ techniques.
10. Standard means a criterion or a yardstick against which actual activity can be compared to determine the _____ between two.

ANSWER

1. **Predetermined,**
2. **Standard cost,**
3. **Predetermined,**
4. **Basic standard, Current standard and Normal standard,**
5. **Cost Accountants,**
6. **Standard cost,**
7. **Current standard,**
8. **Favourable,**
9. **Cost control,**
10. **difference.**

11. BUDGETARY CONTROL

FILL IN THE BLANKS

1. Budgets are _____ plans.
2. The key factor in a budget does not remain the _____ every year.
3. Cash budget is a part of _____ budget.
4. _____ budgets are subsidiary to master budget.
5. _____ leads to budgeting and budgeting leads to budgetary control.
6. _____ Control involves checking and evaluation of actual performance.
7. The document which describes the budgeting organisation, procedure etc. is known as _____.
8. A budget is a _____ to management.
9. The principle budget factor for consumer goods manufacture is normally _____.
10. A budget is a projected plan of action in _____.

ANSWER

1. **Action,**
2. **Same,**
3. **Financial,**
4. **Functional,**
5. **Forecasting,**
6. **Budgetary,**
7. **Budget Manual,**
8. **Aid,**
9. **Sales Demand/Market Demand / Lack of Demand**
10. **Physical units & monetary terms**