



accountests

COST ACCOUNTANT

Example Questions

www.accountests.com



Cost Accountant Test

Example Question

1

Example Question

1

Your company purchased 2,000 kg of sugar for production needs during the month at a price of \$5.00 per kg.

You used 1,500 kg during the month.

The price based on your standard costs for the sugar is \$5.50 per kg.

What is the direct materials price variance for the month?

A

Favorable \$1,000

B

Favorable \$750

C

Unfavorable \$1,000

D

Unfavorable \$750

E

Zero

Answer

1

Favorable \$1,000

Since standard costs are being used the variance will include both inventory processed during the month, and a write down in the valuation of closing inventory.

A

Favorable \$1,000

B

Favorable \$750

C

Unfavorable \$1,000

D

Unfavorable \$750

E

Zero

Cost Accountant Test

Example Question

2

Example Question

2

Due to supply difficulties your company purchased a higher grade of steel for us in production than required.

A likely result of this in your monthly profit and loss result is:

A

Favorable direct materials price variance

B

Unfavorable direct materials price variance

C

Favorable direct materials quantity variance

D

Unfavorable direct materials quantity variance

E

No direct materials variances will be recorded

Unfavorable direct materials price variance

Price not quantity will be affected. Higher prices paid will result in an unfavorable price variance.

A

Favorable direct materials price variance

B

Unfavorable direct materials price variance

C

Favorable direct materials quantity variance

D

Unfavorable direct materials quantity variance

E

No direct materials variances will be recorded

Cost Accountant Test

Example Question

3

Example Question

3

A business prints designs on to plain wrapping paper to customer specifications.

After each run the printing machine needs to be washed down.

In Activity Based Costing the costs of washing down are best described as:

A

Product level activity

B

Unit level activity

C

Batch level activity

D

Organization level activity

E

Customer level activity

Batch level activity

Each run will be classed as a batch (activities performed on groups of products).

A

Product level activity

B

Unit level activity

C

Batch level activity

D

Organization level activity

E

Customer level activity

Cost Accountant Test

Example Question

4

Example Question

4

Your business imports cars.

You need to value cars which have been shipped and have arrived at your site.

Which of the following costs would NOT form part of inventory valuation under IFRS?

A

Import duties paid

B

Shipping costs

C

Port handling fees

D

Storage costs at your site

E

Biosecurity clearance costs

Storage costs at your site

IAS2 does not allow storage costs to be capitalized in to inventory unless they are necessary in the production process and incurred prior to a further stage of production.

A

Import duties paid

B

Shipping costs

C

Port handling fees

D

Storage costs at your site

E

Biosecurity clearance costs

Thanks for your interest in the
Cost Accountant Test
Example Questions

Return to the website to purchase a test [here](#)

Still not sure? Check out the [Which Test Table](#)