

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

MGT402 Online Quiz#2...8 Quizzes Attempt & Solved

By Hafiz Salman Majeed

Question # 1 of 15 (Start time: 05:52:27 PM) Total Marks: 1

The main purpose of cost accounting is to

Select correct option:

Maximize profits

Help in inventory valuation

Provide information to management for decision making

Aid in the fixation of selling price

Question # 2 of 15 (Start time: 05:52:43 PM) Total Marks: 1

Consider the following data for the month of May: Sales 150 units, Opening units 120 units, Closing 80 units Based on the data, production in May will have to be?

Select correct option:

150 units

50 units

190 units

110 units

Question # 3 of 15 (Start time: 05:54:08 PM) Total Marks: 1

While transporting petrol, a little quantity will be evaporated; such kind of loss is termed as:

Select correct option:

Normal Loss

Abnormal Loss

It is incremental loss

It can not be abnormal loss

Question # 4 of 15 (Start time: 05:54:24 PM) Total Marks: 1

Which of the following is correct?

Select correct option:

Units sold = Opening finished goods units + Units produced – Closing finished goods units

Units Sold = Units produced + Closing finished goods units - Opening finished goods units

Units sold = Sales + Average units of finished goods inventory

Units sold = Sales - Average units of finished goods inventory

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Question # 5 of 15 (Start time: 05:54:45 PM) Total Marks: 1

Which of the following concept is used in absorption costing?

Select correct option:

Matching concept

Cost concept

Cash concept

All of the given options

Question # 6 of 15 (Start time: 05:56:00 PM) Total Marks: 1

Which of the following is a characteristic of process cost accounting system?

Select correct option:

Material, Labor and Overheads are accumulated by orders

Companies use this system if they process custom orders

Opening and Closing stock of work in process are related in terms of completed units

Only Closing stock of work in process is restated in terms of completed units

Question # 7 of 15 (Start time: 05:56:30 PM) Total Marks: 1

Net income reported under direct costing will exceed net income reported under absorption costing for a given period if:

Select correct option:

The fixed overhead exceeds the variable overhead

Production equals sales for that period

Production exceeds sales for that period

Sales exceed production for that period

Question # 8 of 15 (Start time: 05:57:54 PM) Total Marks: 1

If, Gross profit = Rs. 40,000 GP Margin = 20% of sales What will be the value of cost of goods sold?

Select correct option:

Rs. 160,000

Rs. 120,000

Rs. 40,000

Rs. 90,000

Question # 9 of 15 (Start time: 05:59:21 PM) Total Marks: 1

If, Sales = Rs. 800,000 appli Markup = 25% of cost What would be the value of Gross profit?

Select correct option:

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Rs. 200,000

Rs. 160,000

Rs. 480,000

Rs. 640,000

Question # 10 of 15 (Start time: 06:00:49 PM) Total Marks: 1

Amount of net purchase can be calculated as follow

Select correct option:

Purchase of direct material add trade discount less purchase return add carriage inward less other material handling cost

Purchase of direct material less trade discount l add purchase return add carriage inward less other material handling cost

Purchase of direct material less trade discount less purchase return less carriage inward add other material handling cost

Purchase of direct material less trade discount less purchase return add carriage inward add other material handling cost

Question # 11 of 15 (Start time: 06:01:07 PM) Total Marks: 1

Contribution margin contributes to meet which one of the following options?

Select correct option:

Variable cost

Fixed cost

Operating cost

Net Profit

Question # 12 of 15 (Start time: 06:01:37 PM) Total Marks: 1

Increase in material Inventory means:

Select correct option:

The ending inventory is greater than opening inventory

The ending inventory is less than opening inventory

Both ending and opening inventories are equal

Can not be determined

Question # 13 of 15 (Start time: 06:01:53 PM) Total Marks: 1

The Process of cost apportionment is carried out so that:

Select correct option:

Cost may be controlled

Cost unit gather overheads as they pass through cost centers

Whole items of cost can be charged to cost centers

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Common costs are shared among cost centers

Question # 14 of 15 (Start time: 06:02:09 PM) Total Marks: 1

A cost centre is

Select correct option:

A unit of product or service in relation to which costs are ascertained

An amount of expenditure attributable to an activity

A production or service location, function, activity or item of equipment for which costs are accumulated

A centre for which an individual budget is drawn up

Question # 15 of 15 (Start time: 06:02:34 PM) Total Marks: 1

Reduction of labor turnover, accidents, spoilage, waste and absenteeism are the results of which of the following wage plan?

Select correct option:

Piece rate plan

Time rate plan

Differential plan

Group bonus system

Question # 1 of 15 (Start time: 06:13:54 PM) Total Marks: 1

A spending variance for factory overhead is the difference between actual factory overhead cost and factory overhead cost that should have been incurred for actual hours worked and results from:

Select correct option:

Price difference of FOH costs

Quantity differences of FOH costs

Price and quantity differences for FOH costs

Difference caused by production volume variations

Question # 2 of 15 (Start time: 06:15:23 PM) Total Marks: 1

When two products are manufactured during a common process, the factor that determine whether the products are joint product or one main product and one is by product is the:

Select correct option:

Potential marketability for each product

Amount of work expended in the production of each product

Relative total sales value of each product

Management policy

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Question # 3 of 15 (Start time: 06:15:39 PM) Total Marks: 1

Which of the following is called Non Statutory deductions:

Select correct option:

Subscriptions to a trade union

Contributions by the employee to a pension scheme

Contributions by the employer to a pension scheme

All of the given

Question # 4 of 15 (Start time: 06:15:54 PM) Total Marks: 1

While constructing a Break even chart, the gap between sales line and variable cost line shows which of the following?

Select correct option:

Fixed cost

Break even point

Contribution margin

Variable cost

Question # 5 of 15 (Start time: 06:16:23 PM) Total Marks: 1

When 10,000 ending units of work-in-process are 30% completed as to conversion, it means:

Select correct option:

30% of the units are completed

70% of the units are completed

Each unit has been completed to 70% of its final stage

Each of the unit is 30% completed

Question # 6 of 15 (Start time: 06:16:47 PM) Total Marks: 1

Which of the following is true when piece rate system is used for wage determination?

Select correct option:

worker is paid on the basis of time taken by him to perform the work

worker is paid on the basis of production

Piece rate system is more beneficial than a guaranteed minimum wage system

None of the given options

Question # 7 of 15 (Start time: 06:17:03 PM) Total Marks: 1

Which of the following would be considered to be an investment centre?

Select correct option:

Managers have control over marketing

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Management have a sales team

Management have a sales team and are given a credit control function

Managers can purchase capital assets and are given a credit control function

Question # 8 of 15 (Start time: 06:17:19 PM) Total Marks: 1

Bruce Inc. has the selling price per unit is Rs. 20, the variable cost per unit is Rs. 8, and the total fixed cost is Rs. 60,000. The firm's current tax rate is 25%. If Bruce wants to earn Rs. 60,000 in profits after taxes, how many units must it

Select correct option:

10,000 units

6,000 units

11,667 units

7,000 units

Question # 9 of 15 (Start time: 06:18:51 PM) Total Marks: 1

The point at which the cost line intersects the sales line will be called:

Select correct option:

Budgeted sales

Break Even sales

Margin of safety

Contribution margin

Question # 10 of 15 (Start time: 06:19:16 PM) Total Marks: 1

When prices are rising over time, which of the following inventory costing methods will result in the lowest gross margin/profits?

Select correct option:

FIFO

LIFO

Weighted Average

Cannot be determined

Question # 11 of 15 (Start time: 06:19:36 PM) Total Marks: 1

Cost accounting department prepares _____ that helps the in preparing final accounts.

Select correct option:

Cost sheets

Cost of goods sold statement

Cost of production Report

Material requisition form

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Question # 12 of 15 (Start time: 06:20:46 PM) Total Marks: 1

In which of the following would there be a difference between financial and managerial accounting?

Select correct option:

- Users of the information
- Purpose of the information
- Flexibility of practices
- All of the given options**

Question # 13 of 15 (Start time: 06:21:01 PM) Total Marks: 1

Which of the following is true of the budgeting process?

Select correct option:

- The cash budget has an effect on all operating budgets
- Operating budgets must be prepared before the cash budget can be prepared
- Financial budgets must be prepared before operating budgets can be prepared
- Budgets can be prepared in any order as long as they are all completed**

Question # 14 of 15 (Start time: 06:22:20 PM) Total Marks: 1

In which of the following way the last month closing inventory figure will be treated?

Select correct option:

- Will not be carried forward
- As opening inventory of next month**
- As closing inventory of next month
- As units sold for the same months

Question # 15 of 15 (Start time: 06:23:46 PM) Total Marks: 1

An assumption of CVP analysis is that a change in total costs is caused because of a change in which of the following factor?

Select correct option:

- Direct labor cost
- The number of units sold**
- Sales commission per unit
- Direct material cost

Question # 1 of 15 (Start time: 06:54:22 PM) Total Marks: 1

Which of the following is a point of differentiation between blanket rates and department rates?

Select correct option:

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Blanket rate is a single overhead rate established for the entire factory

Department rates are separate overhead rates for all departments of factory through which the products pass

Department rate is a single overhead rate established for the entire factory

Blanket rates are separate overhead rates for all departments of factory through which the product passes

Question # 2 of 15 (Start time: 06:54:54 PM) Total Marks: 1

Overtime that is necessary in order to fulfill customer orders is called:

Select correct option:

Avoidable overtime

Unavoidable overtime

Premium Overtime

Flex time

Question # 3 of 15 (Start time: 06:55:29 PM) Total Marks: 1

Variable costing is also known as:

Select correct option:

Indirect Costing

Direct Costing

Marginal Costing

Both Direct Costing & Marginal Costing

Question # 4 of 15 (Start time: 06:56:02 PM) Total Marks: 1

If, COGS = Rs. 70,000 GP Margin = 30% of sales What will be the value of Sales?

Select correct option:

Rs. 200,000

Rs. 66,667

Rs. 100,000

Rs. 62,500

Question # 5 of 15 (Start time: 06:56:43 PM) Total Marks: 1

All of the following are terms used to denote Factory Overheads EXCEPT:

Select correct option:

Factory burden

Factory expenses

Manufacturing overhead

Conversion costs

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Question # 6 of 15 (Start time: 06:58:08 PM) Total Marks: 1

Which of the following manufacturers is most likely to use a job order cost accounting system?

Select correct option:

A soft drink producer

A flour mill

A textile mill

A builder of offshore oil rigs

Question # 7 of 15 (Start time: 06:58:35 PM) Total Marks: 1

If one would prepare a graph with a horizontal axis representing units of production and a vertical axis representing per-unit production cost, how would a line representing fixed production cost is drawn?

Select correct option:

As a horizontal line

As a vertical line

As a straight line sloping upward to the right

As a straight line sloping downward to the right

Question # 8 of 15 (Start time: 06:59:10 PM) Total Marks: 1

Which of the following is true when piece rate system is used for wage determination?

Select correct option:

worker is paid on the basis of time taken by him to perform the work

worker is paid on the basis of production

Piece rate system is more beneficial than a guaranteed minimum wage system

None of the given options

Question # 9 of 15 (Start time: 06:59:21 PM) Total Marks: 1

An organisation sold units 4000 and have closing finished goods 3500 units and opening finished goods units were 1000. The quantity of unit produced would be:

Select correct option:

7500 units

6500 units

4500 units

8500 units

Question # 10 of 15 (Start time: 07:00:41 PM) Total Marks: 1

High labor turnover is NOT desirable because:

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Select correct option:

- It denotes the instability of the labor force
- It is an indication of high labor cost
- It shows frequent changes in the labor force
- All of the given options**

Question # 11 of 15 (Start time: 07:01:43 PM) Total Marks: 1

Of the following manufacturing operations, which is the best suited to the utilization of a job order system?

Select correct option:

- Soft drink bottling operation**
- Crude oil refining
- Plastic molding operation
- Cement Production

Question # 12 of 15 (Start time: 07:02:38 PM) Total Marks: 1

The difference over the period of time between actual and applied FOH will usually be minimal when the predetermined overhead rate is based on:

Select correct option:

- Normal capacity**
- Designed capacity
- Direct Labor hours
- Machine hours

Question # 13 of 15 (Start time: 07:03:00 PM) Total Marks: 1

If joint products are to be processed further beyond the point of separation, costs should be assigned to the products on the basis of:

Select correct option:

- Adjusted sales value**
- Ultimate sales value
- A physical unit of measure
- An engineering analysis

Question # 14 of 15 (Start time: 07:03:25 PM) Total Marks: 1

PVC company has ordering quantity 10,000 units.They have storage capacity 20,000 units,The average inventory would be:

Select correct option:

- 20,000

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

5,000
10,000
25,000

Question # 15 of 15 (Start time: 07:03:52 PM) Total Marks: 1
Which of the following best describes piece rate system?
Select correct option:

The increased volume of production results in decreased cost of production
The increased volume of production in minimum time
Establishment of fair standard rates
Higher output is a result of efficient management

Question # 1 of 15 (Start time: 07:12:04 PM) Total Marks: 1
Loss by fire is an example of:
Select correct option:

Normal Loss
Abnormal Loss
Incremental Loss
Can not be determined

Question # 2 of 15 (Start time: 07:12:33 PM) Total Marks: 1
The appropriate journal entry to transfer the cost of completed units from the Work in Process account would involve a credit to Work in Process and a debit to which of the following accounts?
Select correct option:

Income Summary
Raw Materials Inventory
Finished Goods
Manufacturing Summary

Question # 3 of 15 (Start time: 07:13:03 PM) Total Marks: 1
Which of the following manufacturers is most likely to use a job order cost accounting system?
Select correct option:

A soft drink producer
A flour mill
A textile mill
A builder of offshore oil rigs

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team

www.vuaskari.com

Question # 4 of 15 (Start time: 07:13:16 PM) Total Marks: 1

If a predetermined FOH rate is not applied and the volume of production is reduced from the planned capacity level, the cost per unit expected to:

Select correct option:

Remain unchanged for fixed cost and increase for variable cost

Increase for fixed cost and remain unchanged for variable cost

Increase for fixed cost and decrease for variable cost

Decrease for both fixed and variable costs

Question # 5 of 15 (Start time: 07:13:54 PM) Total Marks: 1

Which of the following cannot be used as a base for the determination of overhead absorption rate?

Select correct option:

Number of units produced

Prime cost

Conversion cost

Discount Allowed

Question # 6 of 15 (Start time: 07:14:24 PM) Total Marks: 1

Sales are Rs. 450,000. Beginning finished goods were Rs. 23,000. Ending finished goods are Rs. 30,000. The cost of goods sold is Rs. 300,000. What is the cost of goods manufactured?

Select correct option:

Rs. 323,000

Rs. 330,000

Rs. 293,000

None of the given options

Question # 7 of 15 (Start time: 07:14:58 PM) Total Marks: 1

Which of the following is true of the budgeting process?

Select correct option:

The cash budget has an effect on all operating budgets

Operating budgets must be prepared before the cash budget can be prepared

Financial budgets must be prepared before operating budgets can be prepared

Budgets can be prepared in any order as long as they are all completed

Question # 8 of 15 (Start time: 07:15:21 PM) Total Marks: 1

A method by which the good used are priced out at average cost is known as:

Select correct option:

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

BCVO

AVCO

c.FIFO

LIFO

Question # 10 of 15 (Start time: 07:16:11 PM) Total Marks: 1

Which of the following is/are reasons of abnormal loss?

Select correct option:

Defective material used

Machine breakdown

Poor workmanships

All of the given

Question # 11 of 15 (Start time: 07:16:29 PM) Total Marks: 1

Which of the following best describes piece rate system?

Select correct option:

The increased volume of production results in decreased cost of production

The increased volume of production in minimum time

Establishment of fair standard rates

Higher output is a result of efficient management

Question # 12 of 15 (Start time: 07:16:40 PM) Total Marks: 1

Which one of the following factors would cause budgeted revenue to be less than the expected demand?

Select correct option:

Excess capacity exists

Abundant resources are available

Demand exceeds capacity

Excess supply of labor exists

Question # 13 of 15 (Start time: 07:18:08 PM) Total Marks: 1

Which of the following is/are not associated with ordering costs?

Select correct option:

Interest

Insurance

Opportunity costs

All of the given options

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Question # 14 of 15 (Start time: 07:18:28 PM) Total Marks: 1
Which of the following statement is TRUE about FOH applied rates?
Select correct option:

- They are used to control overhead costs
- They are based on actual data for each period
- They are predetermined in advance for each period**
- None of the given

Question # 15 of 15 (Start time: 07:18:56 PM) Total Marks: 1
Which of the following statements is/are correct?
Select correct option:

- A by-product is a product produced at the same time as other products which has a relatively low volume compared with the other products.
- Since a by-product is a saleable item it should be separately costed in the process account, and should absorb some of the process costs.
- Cost incurred prior to the point of separation are known as common or joint costs.**
- A by-product is a product produced at the same time as other products which has a relatively high volume compared with the other products.

Question # 1 of 15 (Start time: 07:48:28 PM) Total Marks: 1
Loss by fire is an example of:
Select correct option:

- Normal Loss
- Abnormal Loss**
- Incremental Loss
- Can not be determined

Question # 2 of 15 (Start time: 07:48:39 PM) Total Marks: 1
Gross pay includes which of the following items?
Select correct option:

- Basic pay + bonus pay
- Overtime payment + shift allowances
- Rent and conveyance allowances
- All of the given options**

Question # 3 of 15 (Start time: 07:49:21 PM) Total Marks: 1
EOQ is a point where:
Select correct option:

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Ordering cost is equal to carrying cost

Ordering cost is higher than carrying cost

Ordering cost is lesser than the carrying cost

Total cost is maximum

Question # 4 of 15 (Start time: 07:49:39 PM) Total Marks: 1

The difference over the period of time between actual and applied FOH will usually be minimal when the predetermined overhead rate is based on:

Select correct option:

Normal capacity

Designed capacity

Direct Labor hours

Machine hours

Question # 5 of 15 (Start time: 07:50:02 PM) Total Marks: 1

Working hours of labor can be calculated with the help of all except:

Select correct option:

Smart card

Time sheet

Clock card

Store card

Question # 6 of 15 (Start time: 07:50:28 PM) Total Marks: 1

Which of the following is called Non Statutory deductions:

Select correct option:

Subscriptions to a trade union

Contributions by the employee to a pension scheme

Contributions by the employer to a pension scheme

All of the given

Question # 7 of 15 (Start time: 07:50:39 PM) Total Marks: 1

The main purpose of cost accounting is to

Select correct option:

Maximize profits

Help in inventory valuation

Provide information to management for decision making

Aid in the fixation of selling price

Question # 8 of 15 (Start time: 07:50:47 PM) Total Marks: 1

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

While constructing production budget, numbers of units manufactured are calculated by which of the following formula?

Select correct option:

Number of units to be sold + closing units – opening units

Number of units to be sold - closing units + opening units

Number of units to be sold - closing units – opening units

Number of units to be sold + closing units + opening units

Question # 9 of 15 (Start time: 07:51:39 PM) Total Marks: 1

A chemical process has normal wastage of 10% of input. In a period, 2,500 Kg of material were input and there was abnormal loss of 75 Kg. What quantity of good production was achieved?

Select correct option:

2,175 kg

2,250 kg

2,425 kg

2,500 kg

Question # 10 of 15 (Start time: 07:51:56 PM) Total Marks: 1

Variable costing is also known as:

Select correct option:

Indirect Costing

Direct Costing

Marginal Costing

Both Direct Costing & Marginal Costing

Question # 11 of 15 (Start time: 07:52:04 PM) Total Marks: 1

While calculating the EOQ, number of orders is calculated by:

Select correct option:

Multiplying the required units with cost per order

Dividing required unit by ordered quantity

Multiplying the required units with ordered quantity

Multiplying the ordered quantity with cost per order

Question # 12 of 15 (Start time: 07:52:57 PM) Total Marks: 1

Which of the following statements is/are correct?

Select correct option:

A by-product is a product produced at the same time as other products which has a

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

relatively low volume compared with the other products.

Since a by-product is a saleable item it should be separately costed in the process account, and should absorb some of the process costs.

Cost incurred prior to the point of separation are known as common or joint costs.

A by-product is a product produced at the same time as other products which has a relatively high volume compared with the other products.

Question # 13 of 15 (Start time: 07:53:06 PM) Total Marks: 1

The Term Minimum Level Represents.

Select correct option:

This represents the quantity below which the stock of any item should not be allowed to fall

This represents the quantity below which the stock of any item should be allowed to fall

This is the estimated time period in number of days or in weeks or in months.

This is the Lead time period in number of days or in weeks or in months.

Question # 14 of 15 (Start time: 07:53:41 PM) Total Marks: 1

Cost of goods sold Rs. 30,000, opening Inventory Rs. 9,000, Closing inventory Rs. 7,800. What was the inventory turnover ratio?

Select correct option:

3.57 times

3.67 times

3.85 times

5.36 times

Question # 15 of 15 (Start time: 07:55:17 PM) Total Marks: 1

While deducting Income Tax from the gross pay of the employee, the employer acts as a (an) _____ for Income Tax Department.

Select correct option:

Agent of his own Company

Paid tax collection agent

Unpaid tax collection agent

None of the given options

Question # 1 of 15 (Start time: 08:05:57 PM) Total Marks: 1

A company produces two chemicals in a joint process. Chemical A can be sold at split off while chemical B currently cost Rs. 2 per gallon for disposal. If chemical B is further processed, it would cost Rs. 5 per gallon. At what sales price would the company be in different between disposing of chemical B at split off and further processing the chemical?

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Select correct option:

- Rs.3
- Rs.5
- Rs.4
- Rs.7

Question # 2 of 15 (Start time: 08:07:04 PM) Total Marks: 1

In order to ensure efficient functioning of the stores department and steady flow of materials to the production departments, the restocking of stores is duty of:

Select correct option:

- Managers
- Storekeeper
- Production In charge
- Sales supervisor

Question # 3 of 15 (Start time: 08:08:23 PM) Total Marks: 1

Net income reported under direct costing will exceed net income reported under absorption costing for a given period if:

Select correct option:

- The fixed overhead exceeds the variable overhead
- Production equals sales for that period
- Production exceeds sales for that period
- Sales exceed production for that period

Question # 4 of 15 (Start time: 08:08:47 PM) Total Marks: 1

Which of the following is an example of Statutory deductions:

Select correct option:

- Deduction as Income Tax
- Deduction as social security
- Subscriptions to a trade union
- None of the given

Question # 5 of 15 (Start time: 08:09:04 PM) Total Marks: 1

Cost accounting department prepares _____ that helps the in preparing final accounts.

Select correct option:

- Cost sheets
- Cost of goods sold statement

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Cost of production Report
Material requisition form

Question # 6 of 15 (Start time: 08:09:13 PM) Total Marks: 1
FOH applied rate of Rs. 5.60 per machine hour. During the year the FOH to Rs.275,000 and 48,000 machine hours were used. Which one of following statement is correct?
Select correct option:

- Overhead was under-applied by Rs.6,200
- Overhead was over-applied by Rs.6,200**
- Overhead was under-applied by Rs.7,200
- Overhead was over-applied by Rs.7,200

Question # 7 of 15 (Start time: 08:10:37 PM) Total Marks: 1
A cost centre is
Select correct option:

- A unit of product or service in relation to which costs are ascertained
- An amount of expenditure attributable to an activity
- A production or service location,function,activity or item of equipment for which costs are accumulated**
- A centre for which an individual budget is drawn up

Question # 8 of 15 (Start time: 08:10:46 PM) Total Marks: 1
Which of the following element must be taken into account while calculating total earnings of a worker under different incentive wage schemes?
Select correct option:

- Rate per unit
- Units of production**
- Extra time taken by employee to complete the production
- Number of workers employed

Question # 9 of 15 (Start time: 08:12:14 PM) Total Marks: 1
If, Gross profit = Rs. 40,000 GP Margin = 20% of sales What will be the value of cost of goods sold?
Select correct option:

- Rs. 160,000**
- Rs. 120,000
- Rs. 40,000
- Rs. 90,000

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Question # 10 of 15 (Start time: 08:12:39 PM) Total Marks: 1

The Process of cost apportionment is carried out so that:

Select correct option:

Cost may be controlled

Cost unit gather overheads as they pass through cost centers

Whole items of cost can be charged to cost centers

Common costs are shared among cost centers

Question # 11 of 15 (Start time: 08:12:55 PM) Total Marks: 1

Loss by fire is an example of:

Select correct option:

Normal Loss

Abnormal Loss

Incremental Loss

Can not be determined

Question # 12 of 15 (Start time: 08:13:03 PM) Total Marks: 1

The abbreviation LIFO is:

Select correct option:

Large integrated financial organization

Least interesting financial option

The last in first out method

None of the given options

Question # 13 of 15 (Start time: 08:13:14 PM) Total Marks: 1

When a budget is administered wisely, it will

Select correct option:

Discourage managers and employees

Provide a framework for performance evaluation

Eliminate coordination and communication between subunits

Discourage strategic planning

Question # 14 of 15 (Start time: 08:14:34 PM) Total Marks: 1

Alpha company purchased a machine worth Rs 200,000 in the last year. Now that machine can be use in a new project which company has received this year. Now the cost of that machine is to be called:

Select correct option:

Project cost

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Sunk cost

Opportunity cost

Relevant cost

Question # 15 of 15 (Start time: 08:14:59 PM) Total Marks: 1

Costs which are constant for a relevant range of activity and rise to new constant level once that range exceeded is called:

Select correct option:

A fixed cost

A variable cost

A mixed cost

A step cost

Question # 1 of 15 (Start time: 08:27:59 PM) Total Marks: 1

Which of the following is true of the budgeting process?

Select correct option:

The cash budget has an effect on all operating budgets

Operating budgets must be prepared before the cash budget can be prepared

Financial budgets must be prepared before operating budgets can be prepared

Budgets can be prepared in any order as long as they are all completed

Question # 2 of 15 (Start time: 08:28:09 PM) Total Marks: 1

From employer point of view, the total cost of wages and salaries is a combination of which of the following?

Select correct option:

Gross wages and salaries+employer's provident fund contributions

Gross wages and salaries+employee's provident fund contributions

Gross wages and salaries + Income Tax deductions

Gross wages and salaries + pension scheme payments

Question # 3 of 15 (Start time: 08:28:35 PM) Total Marks: 1

Contribution margin is the result of which of the following two variables?

Select correct option:

Sales and variable costs

Variable and fixed costs

Sales and Fixed cost

Sales and operating profit

Question # 4 of 15 (Start time: 08:30:13 PM) Total Marks: 1

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Which of the following is called Non Statutory deductions:
Select correct option:

- Subscriptions to a trade union
- Contributions by the employee to a pension scheme
- Contributions by the employer to a pension scheme
- All of the given**

Question # 5 of 15 (Start time: 08:30:27 PM) Total Marks: 1

If opening inventory of material is Rs.20,000 and closing inventory is Rs. 40,000.the

Average inventory amount will be:

Select correct option:

- Rs. 40,000
- Rs. 30,000**
- Rs. 20,000
- Rs. 10,000

Question # 6 of 15 (Start time: 08:31:02 PM) Total Marks: 1

Working hours of labor can be calculated with the help of all except:

Select correct option:

- Smart card
- Time sheet
- Clock card
- Store card**

Question # 7 of 15 (Start time: 08:31:24 PM) Total Marks: 1

If one would prepare a graph with a horizontal axis representing units of production and a vertical axis representing per-unit production cost, how would a line representing fixed production cost is drawn?

Select correct option:

- As a horizontal line**
- As a vertical line
- As a straight line sloping upward to the right
- As a straight line sloping downward to the right

Question # 8 of 15 (Start time: 08:31:54 PM) Total Marks: 1

While deducting Income Tax from the gross pay of the employee, the employer acts as a (an) _____ for Income Tax Department.

Select correct option:

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Agent of his own Company
Paid tax collection agent
Unpaid tax collection agent
None of the given options

Question # 9 of 15 (Start time: 08:32:02 PM) Total Marks: 1
If, Sales = Rs. 800,000 appli Markup = 25% of cost What would be the value of Gross profit?
Select correct option:

Rs. 200,000
Rs. 160,000
Rs. 480,000
Rs. 640,000

Question # 10 of 15 (Start time: 08:32:29 PM) Total Marks: 1
Gross pay includes which of the following items?
Select correct option:

Basic pay + bonus pay
Overtime payment + shift allowances
Rent and conveyance allowances
All of the given options

Question # 11 of 15 (Start time: 08:32:38 PM) Total Marks: 1
Which of the following is to be called product cost
Select correct option:

Material cost
Labor cost
FOH cost
All of the given options

Question # 12 of 15 (Start time: 08:33:00 PM) Total Marks: 1
Which of the following costs are treated as period costs under direct costing?
Select correct option:

Only direct costs
Fixed selling and administrative expenses
Fixed manufacturing overhead
Both fixed manufacturing overhead and fixed selling and administrative expenses

Question # 13 of 15 (Start time: 08:33:27 PM) Total Marks: 1

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

In cost Accounting, abnormal loss is charged to:
Select correct option:

- Factory overhead control account
- Work in process account**
- Income Statement
- Entire production

Question # 14 of 15 (Start time: 08:34:03 PM) Total Marks: 1
The Process of cost apportionment is carried out so that:
Select correct option:

- Cost may be controlled
- Cost unit gather overheads as they pass through cost centers
- Whole items of cost can be charged to cost centers
- Common costs are shared among cost centers**

Question # 15 of 15 (Start time: 08:34:14 PM) Total Marks: 1
Which of the following is the best definition of a by-product?
Select correct option:

- A by-product is a product arising from a process where the wastage rate is higher than a defined level
- A by-product is a product arising from a process where the sales value is insignificant by comparison with that of the main product or products**
- A by-product is a product arising from a process where the wastage rate is unpredictable
- A by-product is a product arising from a process where the sales value is significant by comparison with that of the main product or products

Question # 1 of 15 (Start time: 08:42:59 PM) Total Marks: 1
Which of the following is the best definition of a by-product?
Select correct option:

- A by-product is a product arising from a process where the wastage rate is higher than a defined level
- A by-product is a product arising from a process where the sales value is insignificant by comparison with that of the main product or products**
- A by-product is a product arising from a process where the wastage rate is unpredictable
- A by-product is a product arising from a process where the sales value is significant by comparison with that of the main product or products

Question # 2 of 15 (Start time: 08:43:08 PM) Total Marks: 1
Generally, the danger level of stock is fixed _____ the minimum level.

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Select correct option:

Below

Above

Equal

Danger level has no relation to minimum level

Question # 3 of 15 (Start time: 08:43:54 PM) Total Marks: 1

If one would prepare a graph with a horizontal axis representing units of production and a vertical axis representing per-unit production cost, how would a line representing fixed production cost is drawn?

Select correct option:

As a horizontal line

As a vertical line

As a straight line sloping upward to the right

As a straight line sloping downward to the right

Question # 4 of 15 (Start time: 08:44:03 PM) Total Marks: 1

The difference over the period of time between actual and applied FOH will usually be minimal when the predetermined overhead rate is based on:

Select correct option:

Normal capacity

Designed capacity

Direct Labor hours

Machine hours

Question # 5 of 15 (Start time: 08:44:10 PM) Total Marks: 1

In comparing common cost and joint cost:

Select correct option:

The terms can be correctly used interchangeably

Both have the same objective of assigning production cost to cost center

They differ since common cost products or services have been obtained separately

Common cost is sometime used as Joint cost

Question # 6 of 15 (Start time: 08:44:30 PM) Total Marks: 1

All of the following are essential requirements of a good wage system EXCEPT:

Select correct option:

Reduced overhead costs

Reduced per unit variable cost

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Increased production
Increased operating costs

Question # 7 of 15 (Start time: 08:44:48 PM) Total Marks: 1
According to IASB framework, Financial statements exhibit to its users the:
Select correct option:

Financial position
Financial performance
Cash inflow and outflow analysis
All of the given options

Question # 8 of 15 (Start time: 08:45:10 PM) Total Marks: 1
Net Income before Interest and tax is also called:
Select correct option:

Operating Income/Profit
Gross Profit
Marginal Income
Other Income

Question # 9 of 15 (Start time: 08:45:32 PM) Total Marks: 1
Gross pay less deductions represents all except:
Select correct option:

Net pay
Take home pay
Total pay
Other income

Question # 10 of 15 (Start time: 08:46:16 PM) Total Marks: 1
Which of the following statement measures the financial position of the entity on particular time?
Select correct option:

Income Statement
Balance Sheet
Cash Flow Statement
Statement of Retained Earning

Question # 11 of 15 (Start time: 08:46:34 PM) Total Marks: 1
The point at which the cost line intersects the sales line will be called:
Select correct option:

Note: Solve these papers by yourself
This VU Group is not responsible for any solved content
www.vuaskari.com

Composed & Solved
Hafiz Salman Majeed
Vu Askari Team
www.vuaskari.com

Budgeted sales

Break Even sales

Margin of safety

Contribution margin

Question # 12 of 15 (Start time: 08:47:17 PM) Total Marks: 1

Which of the following is a characteristic of process cost accounting system?

Select correct option:

Material, Labor and Overheads are accumulated by orders

Companies use this system if they process custom orders

Opening and Closing stock of work in process are related in terms of completed units

Only Closing stock of work in process is restated in terms of completed units

Question # 13 of 15 (Start time: 08:47:30 PM) Total Marks: 1

FOH applied rate of Rs. 5.60 per machine hour. During the year the FOH to Rs.275,000 and 48,000 machine hours were used. Which one of following statement is correct?

Select correct option:

Overhead was under-applied by Rs.6,200

Overhead was over-applied by Rs.6,200

Overhead was under-applied by Rs.7,200

Overhead was over-applied by Rs.7,200

Question # 14 of 15 (Start time: 08:47:38 PM) Total Marks: 1

Which of the following is considered as basic systems of remunerating labor?

Select correct option:

Time rate system

Piece rate system

Halsey Premium plan

Both time rate and piece rate system

Question # 15 of 15 (Start time: 08:48:01 PM) Total Marks: 1

A company has calculated that volume variance for a given month was unfavorable. This could have been caused by which of the following factors?

Select correct option:

The number of rejected units was higher than normal

Machine breakdowns were higher than normal

Delays were experienced in the issuing of material to production

All of the given options

Note: Solve these papers by yourself

This VU Group is not responsible for any solved content

www.vuaskari.com