

Multiple Choice Questions

Question Bank

**SHIVAJI UNIVERSITY, KOLHAPUR**

B.Com (Part- III) (Semester-VI) Examination October-2020

**Subject: Advanced Costing (Paper – III)**

**Subject Code- 51466**

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**Question:** Choose the Correct alternative and complete the Statements.

1) A method of costing applied where costs are collected and accumulated for each work order.

a. Process Costing

b. Contract Costing

**c. Job Costing**

d. Operating Costing

2) What should be the price chargeable to a job if total cost incurred is Rs.5400 and Profit is 20% on sales?

a. Rs.1250

**b. Rs.1350**

c. Rs.1080

d. Rs.1380

3) Job costing method is applied in .....

a. Sugar Factory

b. Building Construction

**c. Automobile repair Shop**

d. Transport Industry

4) .....is the method of costing used to ascertain the cost of a product at each stage of manufacture.

a. Job costing

b. Contract costing

**c. Process costing**

d. Batch costing

5) Process loss that occurs under inefficient working conditions and under controllable is called

**a. Abnormal loss**

b. Uncontrollable loss

c. Normal loss

d. Seasonal loss

6) Abnormal gain in a process is written to be .....

a. Debit side of Abnormal Gain A/C

b. Credit side of Process A/c

c. Debit side of costing P&L A/C

**d. Debit side of Process A/c**

7) Work done on contract and approved by Engineer of the Contractee is called.....

a. Work in progress

b. Work uncertified

**c. Work certified**

d. None of these

8) The portion of notional profit transferred to P & L Account when work certified is more than 1/4 but less than 1/2 of contract price is Computed by using formula = \_\_\_\_\_

a. No profit transferred

**b.  $\frac{1}{3} \times \text{Notional Profit} \times \text{Cash Received} / \text{Work Certified}$**

c.  $\frac{2}{3} \times \text{Notional Profit} \times \text{Cash Received} / \text{Work Certified}$

d. Estimated profit  $\times$  Work Certified/ Cash Received

9) When cash is received from Contractee which account should be credited

a. Cash A/c

b. Contract A/c

b. Contractor A/c

**d. Contractee A/c**

10) Operating costing is suitable for .....

a. Fabrication Work

b. Road Construction

**c. Goods Transport**

d. Chemical Business

11) A transport co. is running 4 buses between two towns which are 50 kms and seating capacity of bus is 40 passengers. Each bus made one round trip per day. Bus runs all 30 days of the month. So total passenger kms will be.....

a. 4800 kms

**b. 480000 kms**

c. 240000 kms

d. 120000 kms

12) Cost Unit of Passengers Travel Agency is.....

**a. Per Passenger Kms**

b. Student per year

c. Killowatt Hour

d. Patient Day