

Question No : 1 of 27

Marks: 1 (Budgeted Time 1 Min)

$$\frac{[(\text{Time Allowed} - \text{Actual Time taken}) \times 100 \times \text{Basic Pay}]}{\text{Time Allowed}} + \text{Basic Pay}]$$

Above mentioned formula is derivation of:

Answer (Please select your correct option)

- ☐ Rowan Plan
- ☐ Halsey Premium Plan
- ☐ Halsey Weir Plan
- ☐ Merrick's differential system

Made By: Waqar Siddhu

Question No : 2 of 27

Marks: 1 (Budgeted Time 1 Min)

The chief financial officer is also known as the:

Answer (Please select your correct option)

- ☐ Controller
- ☐ Staff accountant
- ☐ Auditor
- ☐ Finance director

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Question No : 3 of 27

Marks: 1 (Budgeted Time 1 Min)

A typical factory overhead cost is:

Answer (Please select your correct option)

- ☐ Distribution
- ☐ Internal audit
- ☐ Compensation of plant manager
- ☐ Design

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Question No : 4 of 27

Marks: 1 (Budgeted Time 1 Min)

Finished goods inventory costs represent the costs of goods that are:

- ☐ Currently being worked on
- ☐ Waiting to be worked on
- ☐ Waiting to be sold
- ☐ Already delivered to customers

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Question No : 5 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following method of inventory valuation is not recommended under IAS 02?

- ☐ LIFO
- ☐ FIFO
- ☐ Weighted Average
- ☐ Both LIFO & FIFO

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Question No : 6 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following document evidences the transaction of purchase of material?

- ☐ Material requisition
- ☐ Store requisition
- ☐ Purchase order
- ☐ Purchase invoice

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Question No : 7 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the following statement is true regarding Repeated distribution method?

Answer (Please select your correct option)

- ☐ The re-allocation continues until the numbers being dealt with become very small
- ☐ The re-allocation continues until the numbers being dealt with become very Large
- ☐ The re-allocation continues until the numbers being dealt with become small
- ☐ None of the given options

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Question No : 8 of 27

Marks: 1 (Budgeted Time 1 Min)

In a job-order cost system, indirect labor costs would be recorded as a debit to:

Answer (Please select your correct option)

- ☐ Finished Goods
- ☐ Manufacturing Overhead
- ☐ Raw Materials
- ☐ Work in Process

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Question No : 9 of 27

Marks: 1 (Budgeted Time 1 Min)

In cost Accounting, abnormal loss is charged to:

Answer (Please select your correct option)

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

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Question No : 10 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the given is **CORRECT** for behavior of Fixed Cost?

Answer (Please select your correct option)

- ☐ Increases per unit, remains constant in total
- ☐ Decreases per unit, remains constant in total
- ☐ Increases per unit, decreases in total
- ☐ Increases per unit, increases in total also

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Question No : 11 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the given statement is correct if the work in process has increased during the period?

Answer (Please select your correct option)

- ☐ Cost of goods sold will be greater than Cost of goods manufactured
- ☐ Cost of goods manufactured will be greater than Cost of goods sold
- ☐ Manufacturing costs for the period will be greater than cost of goods manufactured
- ☐ Manufacturing costs for the period will be less than cost of goods manufactured

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Question No : 12 of 27

Marks: 1 (Budgeted Time 1 Min)

Periodic inventory system is also known as:

Answer (Please select your correct option)

- ☐ Physical system
- ☐ Perpetual inventory system
- ☐ Continuous inventory system
- ☐ None of the given options

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Question No : 13 of 27

Marks: 1 (Budgeted Time 1 Min)

Who issues Purchase Requisition form?

Answer (Please select your correct option)

- ☐ Work station incharge
- ☐ Store incharge
- ☐ Supplier
- ☐ Manager

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Question No : 14 of 27

Marks: 1 (Budgeted Time 1 Min)

Consider the following data:

Salary	Rs.5000
Per Piece commission	10 % per piece
Unit sold	700 pieces
Price per piece	Rs. 10
Amount of commission received	?

Answer (Please select your correct option)

- ☐ Rs. 100
- ☐ Rs. 500
- ☐ Rs. 600
- ☐ Rs. 700

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Question No : 15 of 27

Marks: 1 (Budgeted Time 1 Min)

Depreciation of building expense is an example of factory overhead which is apportioned on the basis of:

Answer (Please select your correct option)

- ☐ Capital value
- ☐ Departmental payroll
- ☐ Area in square feet or cubic feet
- ☐ Number of workers

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Question No : 16 of 27

Marks: 1 (Budgeted Time 1 Min)

If Budgeted FOH for actual volume is Rs. 678,925 and Actual factory overhead is Rs. 648,925 then difference of both will be:

Answer (Please select your correct option)

- ☐ Unfavorable Spending variance of Rs. 30,000
- ☐ Favorable Spending variance of Rs. 30,000
- ☐ Unfavorable Capacity variance Rs. 30,000
- ☐ Favorable Capacity variance of Rs. 30,000

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Question No : 17 of 27

Marks: 1 (Budgeted Time 1 Min)

How normal loss is treated in first department at the preparation of Cost of Production Report?

Answer (Please select your correct option)

- ☐ It is only shown in quantity schedule
- ☐ It is used to calculate equivalent units
- ☐ Its is used to calculate per unit cost
- ☐ It is transferred to next units

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Question No : 18 of 27

Marks: 1 (Budgeted Time 1 Min)

Identify units transferred out with the help of given data:

	Units
Units still in process (100%material, 75% conversion)	4,000
Lost units	2,000
Units started in process	50,000

Answer (Please select your correct option)

- ☐ 6,000 units
- ☐ 44,000 units
- ☐ 52,000 units
- ☐ 56,000 units

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Question No : 19 of 27

Marks: 1 (Budgeted Time 1 Min)

Which of the given units can never become part of first department of Cost of Production Report?

Answer (Please select your correct option)

- ☐ Units received from preceding department
- ☐ Units transferred to subsequent department
- ☐ Lost units
- ☐ Units still in process

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Question No : 20 of 27

Marks: 1 (Budgeted Time 1 Min)

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

Answer (Please select your correct option)

- ☐ The number of rejects were lower than normal
- ☐ Machine breakdowns were lower than normal
- ☐ Delays were not experienced in the issuing of material to production
- ☐ All of the given options

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Question No : 21 of 27

Marks: 1 (Budgeted Time 1 Min)

If Budgeted FOH for actual volume is Rs. 740,000 and Actual FOH is Rs. 710,000 then the difference of both will be:

Answer (Please select your correct option)

- ☐ Volume variance of Rs. 30,000
- ☐ Spending variance of Rs. 30,000
- ☐ Overhead variance of Rs. 30,000
- ☐ Idle capacity variance of Rs. 30,000

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Question No : 22 of 27

Marks: 1 (Budgeted Time 1 Min)

If normal loss occurs in case of process costing, the amount of loss will be spread over:

- ☐ Good Units
- ☐ Actual units
- ☐ Lost units
- ☐ None of the given options

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Question No : 23 of 27

Marks: 3 (Budgeted Time 6 Min)

Under the group bonus system, a faster worker in the group may really dissatisfy with his earnings. This may cause dissension within the group. In such cases he may be paid a higher rate.

- What will be the effect of this on cost of production?
- What attitude does the employer adopt towards such kind of cases?

Answer (Please [click here](#) to Add Answer)

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Question No : 24 of 27

Marks: 3 (Budgeted Time 6 Min)

Calculate unit cost of Material, Labour and FOH with the help of given of a manufacturing concern in Department I.

Equivalent Units of material	23,000
Equivalent Units of Labour & FOH	20,000
Lost units	5,000
Following cost incurred during the process	

Answer (Please [click here](#) to Add Answer)

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Question No : 25 of 27

Marks: 3 (Budgeted Time 6 Min)

Cost of material consumed under Average Cost method is Rs. 4645, and Conversion Cost is Rs. 18200. 800 units of the product were manufactured out of which 500 @ Rs. 30 units sold. There were no beginning and ending inventories of work in process and finished goods.

Required: Calculate per Net profit under Average Cost method.

Note: Show complete working

Answer (Please [click here](#) to Add Answer)

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Question No : 26 of 27

Marks: 5 (Budgeted Time 10 Min)

Normal operating capacity of Warren Inc. is 150,000 machine hours per month, the level used to compute the predetermined factory overhead application rate. At this level of activity, fixed factory overhead is estimated to be Rs. 300,000 and variable factory overhead is estimated to be Rs. 150,000. During March, actual production required 140,000 machine hours, and actual factory overhead totaled Rs. 435,000.

Required:

Answer (Please [click here](#) to Add Answer)

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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

Following is the information regarding the XYZ manufacturing concern; calculate labor cost per man-day of 8 hours from the following particulars.

Particulars	
0. Basic Salary	Rs. 8 per day

Answer (Please [click here](#) to Add Answer)

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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

1. Dearness Allowance	25 paise, per every point over 100 cost of living index for working class. Current cost of living index is 600 points
2. Leave Salary	10% of (1) and (2)
3. Employer's contribution to	8% of (1) (2) and (3)

Answer (Please [click here](#) to Add Answer)

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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

2. Leave Salary	10% of (1) and (2)
3. Employer's contribution to provident fund	8% of (1) (2) and (3)
4. Employer's contribution to Pension fund	2.5% of (1) (2) and (3)
6. Labor amenities	Rs. 20 per head per month

Answer (Please [click here](#) to Add Answer)

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Question No : 27 of 27

Marks: 5 (Budgeted Time 10 Min)

provident fund	
4. Employer's contribution to Pension fund	2.5% of (1) (2) and (3)
6. Labor amenities	Rs. 20 per head per month
7. Number of working days in a	28 days of 8 hours each.

Answer (Please [click here](#) to Add Answer)

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