CBSE Class 12 Cost Accounting 2015 - Set 305/1

Question Paper

Conducted by the Central Board of Secondary Education (CBSE)

Time Allowed: 3 Hours **Maximum Marks: 60**

General Instructions

(i) This question paper is divided into four sections.
(ii) Section 1 contains 13 multiple choice questions of 1 mark each. Answer any 10 questions.
(iii) Section 2 contains 12 short-answer questions of 2 marks each. Answer any 10, normally in no more than 50 words each.
(iv) Section 3 contains 6 short-answer questions of 3 marks each. Answer any 5, normally in no more than 70 words each.
(v) Section 4 contains 5 long-answer questions of 5 marks each. Answer any 3, normally in no more than 150 words each.

Section 1

Answer any ten questions from this section. You have to choose one correct option out of the given options and write the same in your answer-book.

1. The technique which involves identification of costs with each cost driving activity is

(A) Marginal Costing
(B) Standard Costing
(C) Activity based Costing

2. When a contract work is completed only to the extent of 20% of the contract price, profit to be credited to P&L A/c is

(A) Nil
(B) 1/3 of profit
(C) 2/3 of profit

3. Which one of the following is not a feature of Process Costing ?

(A) Classification of costs into fixed and variable
(B) Equivalent production
(C) Emergence of more than one product

4. Margin of Safety means :

(A) Difference between actual sales and the sales at break-even point.
(B) Difference between actual sales and cost of production.
(C) Difference between actual sales and fixed cost.

5. Marginal cost represents

(A) Variable Cost
(B) Fixed Cost
(C) Standard Cost

6. Control ratios are expressed in terms of

(A) monetary value
(B) quantity or grade
(C) percentage

7. The objective of standard costing is

(A) to maintain standards
(B) to delegate authority
(C) to control costs through variance analysis

8. Direct wages paid are shown

(A) only in cost accounts
(B) only in financial accounts
(C) both in cost and financial accounts

9. If fixed cost is ₹ 10,000 and profit is ₹ 5,000 then contribution is

(A) ₹ 15,000
(B) ₹ 20,000
(C) ₹ 50,000

10. This one of the following is not one of the methods of costing but a technique of reporting :

(A) Job Costing
(B) Marginal Costing
(C) Operating Costing

11. The most appropriate costing method for a nursing home is

(A) Contract Costing
(B) Operating Costing
(C) Process Costing

12. A document setting out the budget organization and procedure for preparing a budget is known as

(A) Budget manual
(B) Master budget
(C) Functional budget

13. Work-in-Progress account need not be opened in

(A) Back flush Costing
(B) Contract Costing
(C) Job Costing

Section 2

Answer any ten questions from this section.

14. What is p/v ratio ? How is it calculated ?

15. State cost unit used in

1. Hospital
2. Boiler house
3. Passenger transport and
4. Hotel

16. What is meant by 'Cost Pool' in ABC system ?

17. Name any two limitations of Standard Costing.

18. What are budget reports ?

19. Write any two features of Job Costing.

20. Name any four industries suitable for Contract Costing.

21. What is the advantage of reconciling cost and financial accounts ?

22. Explain Back Flush Costing.

23. Define Activity Based Costing Method.

24. What method of costing would you recommend for the following industries ?

1. Aeroplane builders
2. Sugar industry
3. Printing press
4. Toys making

25. State any two advantages of cash budget.

Section 3

Answer any five questions from this section.

26. Explain in brief the advantages of activity based costing system.

27. What do you mean by Standard Cost and Standard Costing ?

28. What is flexible budget ? How is it different from fixed budget ?

29. What is Job Cost Sheet ? Prepare a job cost sheet for job no. 108 of ABC Manufacturing Co. with imaginary figures.

30. What are the two types of contracts ? Explain them.

31. Compare and contrast joint product and by-product.

Section 4

Answer any three questions from this section.

32. What is Process Costing ? How is it different from Job Costing ?

33. It has been stated that the results worked out from the costing records and those worked out from the financial accounts may not necessarily agree, why ? Explain.

34. What are the advantages of break-even analysis ? How is break-even point of a business determined ?

35. What is Operating Costing ? What are its characteristics ? Mention atleast four industries where it is used.

36. What is budgetary control ? Explain the main steps involved in budgetary control.

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