

ACC206 E EXAM

Question QFB1 : In financial accounting we follow norms and rules but in there is no need for them

Answer: Cost Accounting

Question QFB2 : Usually, the terms, cost accounting andare used interchangeably and are used in one and the same sense

Answer: Management accounting

Question QFB3 :are the costs which do not vary with changing output

Answer: Fixed Costs

Question QFB4 : Cost control forms part of the of cost accounting

Answer: Scope

Question QFB5 : Basically the scope of cost accounting is divided into major parts

Answer: Three

Question QFB6 :are those costs which depend on or vary according to the output produced

Answer: Variable Costs

Question QFB7 : CIMA defines..... as a cost which can be influenced by the action of specified member of an undertaking

Answer: Controllable Cost

Question QFB8 :is a plan for a future period. It is expressed in monetary terms.

Answer: Budget

Question QFB9 : A is a predetermined calculation of how much costs should be under specified working conditions

Answer: Standard Cost

Question QFB10 : The two professional accountancy bodies in Nigeria are and

Answer: ICAN and ANAN

Question QFB11 : CIMA refers to as a location, person or item of equipment (or group of these) for which costs may be ascertained and used for the purpose of cost control

Answer: Cost Centre

Question QFB12 : are those which are engaged sometimes on productive and other times on service works

Answer: Mixed Costs Centres

Question QFB13 : _____ is all labour expended and directly involved in altering

the condition, composition or construction of the product

Answer: Direct labour

Question QFB14 : In some circumstances, variable costs are classified into
(Discretionary cost and engineered cost)

Answer: Discretionary cost and engineered cost

Question QFB15 : _____ consist largely of those fixed costs that arise from the possession of plant, equipment and a basic organization structure

Answer: Committed fixed costs

Question QFB16 :are the costs which are not associated with production but are treated as expenses of the period in which they occurred

Answer: Period costs

Question QFB17 :are those costs which will be eliminated if a segment of a business with which they are directly related is discontinued

Answer: Avoidable or escapable costs

Question QFB18 : is the lowest level of stock that is established by management

Answer: Minimum stock level

Question QFB19 :is the quantity of materials as organization will purchase at a time to enjoy economy of scale

Answer: Economic order quantity

Question QFB20 : is an additional stock held by an organization over and above the minimum stock

Answer: Safety stock or buffer stock

Question QFB21 :is the process of assigning overhead costs to products or services produced

Answer: The concept of overhead absorption

Question QFB22 :is the process of tracking the expenses incurred on a job against the revenue produced by that job

Answer: Job costing

Question QFB23 : Quotes, fixed fee jobs, revenues, items, direct costs and standard costs are the fundamental components of

Answer: Job costing

Question QFB24 : Contribution is the excess of sale value over _____

Answer: Variable costs

Question QFB25 :represent an old established standard designed principally to satisfy a given objective

Answer: Basic standard

Question QFB26 : The setting of pre-determined level of costs to be compared with actual gives room for basic tools to be employed in cost control. They are Standard costing and _____

Answer: Budgetary control

Question QFB27 : A planned positive action aimed at reducing costs of products or services without adversely affecting their quality or usability is called _____

Answer: Cost reduction

Question QFB28 : The scope ofembraces activities of the entire company, from production to marketing and at all levels within the organization from the operative to top levels

Answer: Cost reduction

Question QFB29 :is the term used to describe a management philosophy based on the continuous improvement of quality

Answer: Total quality management (TQM)

Question QFB30 : _____ is the standard that reflects the management anticipation of what actual costs will be for the current period.

Answer: Current standard

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Question QFB33 : The setting of pre-determined level of costs to be compared with actual gives room for basic tools to be employed in cost control. They are _____

Answer: Standard costing and budgetary control

Question QFB34 : Material variance is mainly classified into _____

Answer: Price and usage

Question QFB35 : The basic variances can be categorized under four major headings as _____

Answer: Sales volume, sales price, variable cost and fixed overhead cost

Question QFB36 : The four basic types of standard are _____

Answer: Ideal, attainable, current and basic

Question QFB37 : Break-even point means _____

Answer: A point where no profit nor loss is recorded

Question QFB38 : Production overheads refer to _____.

Answer: Indirect cost of manufacturing

Question QFB39 : Stock / inventory turnover ratio is calculated as _____

Answer: Cost of sales / average inventory

Question QFB40 : Gearing ratio is calculated as follows _____

Answer: Long term debt / debt + equity

Question QFB41 : Current ratio is calculated as _____

Answer: Current assets / current liabilities

Question QFB42 : Financial or accounting ratios can mainly be classified into four, they are _____

Answer: Solvency, profitability, investment and activity

Question QFB43 : What is this formula used to calculate: $\text{Std price (std qty - actual qty)}$?

Answer: Material price variance

Question QFB44 : What is this formula used to calculate: $\text{Actual qty (std price - actual price)}$?

Answer: Material usage variance

Question QFB45 : _____ may be viewed as a cost reduction technique

Answer: Work study

Question QFB46 : _____ is actually working backwards to find out the target cost, which a firm would be able to achieve

Answer: Target costing

Question QFB47 : The aim of _____ is to reduce inventory levels and its attendant costs.

Answer: Just-in-time (JIT) processes

Question QFB48 : Working capital is computed as _____

Answer: Current assets less current liabilities

Question QFB49 : Which ratio is calculated as $\text{shareholders' funds / tangible assets}$?

Answer: Proprietary ratio

Question QFB50 : How is interest cover calculated?

Answer: Operating profit / fixed interest

Question QMC1 : The main functions of cost accounting can be itemized from 1 to _____

Answer:

Question QMC2 : Serving as a guide to price fixing of product is a function of _____

Answer:

Question QMC3 : In costing forecast may related with _____

Answer:

Question QMC4 : Costing deals with _____

Answer:

Question QMC5 : In cost accounting, total cost is the combination of _____

Answer:

Question QMC6 : FIFO means.....

Answer:

Question QMC7 : Avoidable costs are also referred to as.....

Answer:

Question QMC8 : Branches of accounting are numbered up to _____

Answer:

Question QMC9 : Relevant cost may be _____

Answer:

Question QMC10 : Differential cost is alternative to _____

Answer:

Question QMC11 : Variable cost is not part of _____

Answer:

Question QMC12 : Materials can be classified into _____

Answer:

Question QMC13 : FIFO means _____

Answer:

Question QMC14 : Replacement price is _____

Answer:

Question QMC15 : The two basic ways to control stock are _____

Answer:

Question QMC16 : Fixed costs are sometimes referred to as _____

Answer:

Question QMC17 : Marginal cost is equivalent to _____

Answer:

Question QMC18 : Avoidable costs are also referred to as _____

Answer:

Question QMC19 : Relevant costs are costs that are _____

Answer:

Question QMC20 : WAM in costing means what _____

Answer:

Question QMC21 : Retail method of valuing stock is part of

Answer:

Question QMC22 : The difference in receipts and issues of stores ledger account is termed _____

Answer:

Question QMC23 : Reorder level of stock is calculated as _____

Answer:

Question QMC24 : If the number of hours worked is 150 hours and the pay per hour is N3,500. What will be the gross wage _____

Answer:

Question QMC25 : Under the straight piece rate, how is the payment to the employee calculated? _____

Answer:

Question QMC26 : In Rowan scheme, how is bonus calculated?

Answer:

Question QMC27 : Overhead absorption rate is calculated as -----

Answer:

Question QMC28 : Direct cost is _____

Answer:

Question QMC29 : Marginal cost is equivalent to _____

Answer:

Question QMC30 : Favorable cost variance means _____

Answer:

Question QMC31 : Semi-variable cost means _____

Answer:

Question QMC32 : In discussion, cost accounting is all except one _____

Answer:

Question QMC33 : The functions of management are _____

Answer:

Question QMC34 : Types of premium bonus schemes include _____
Answer:

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