

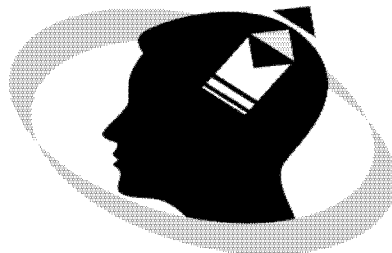
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**DISCOVER MATERIAL ON THEORY QUESTIONS IN
COST & MANAGEMENT ACCOUNTING**

(COVERS PAST EXAM QUESTION PAPERS UPTO MAY – 2019)



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DISCOVER_2E / THEORY QUESTIONS IN COST & MANAGEMENT ACCOUNTING

WE HAVE INCLUDED THE PAST EXAM QUESTION PAPERS OF 7 RECENT ATTEMPTS UNDER IPCC & 3 RECENT ATTEMPTS UNDER CA INTER UPTO MAY 2019

1. BASIC CONCEPTS IN COSTING**PART 1: DESCRIPTIVE QUESTIONS**

[M19 (N) – 4M]

1. Explain Direct Expenses and how these are measured and their treatment in cost accounting. [M19 (N) – 4M]
2. Mention and explain types of responsibility centers. [N18 (N) – 4M]
3. State the types of cost in the following cases: [N18 (O) – 4M]
 - a) Interest paid on own capital not involving any cash outflow.
 - b) Withdrawing money from bank deposit for the purpose of purchasing new machine for expansion purpose.
 - c) Rent paid for the factory building which is temporarily closed.
 - d) Cost associated with the acquisition and conversion of material into finished product.
4. Why cost and management accounting information are required by the staff at operational level? Describe. [M18 (N) – 4M]
5. Explain Opportunity Cost. [M18 (N) – 2.5M]
6. Discuss cost classification based on variability and controllability. [M18 (O) – 4M]
7. What are the essential factors for installing a Cost Accounting System? [M17 (O) – 4M]
8. Explain 'Cost Unit' and 'Cost Centre'. [M17 (O) – 4M]
9. Give the method of costing and the unit of cost against the under noted industry [N16 (O) – 4M]
 - a) Road Transport b) Steel c) Bicycles d) Bridge Construction
10. Write short notes on Conversion Cost [N16 (O) – 2M]
11. What is cost accounting? Enumerate its objectives [M16 (O) – 4M]
12. Write a short note on profit center. [M16 (O) – 2M]
13. State the method of costing also the unit of cost for the following industries: [N15 (O) – 4M]
 - a) Hotel b) Toy making c) Steel d) Ship Building
14. Write about [M15 (O) – 4M]
 - a) Sunk Cost b) Opportunity Cost
15. What is meant by 'Cost Centre'? What are different types of cost Centers? [M15 (O) – 4M, N16 (O) – 4M]
16. Identify methods of costing for the following: [N14 (O) – 4M]
 - a) Where all costs are directly charged to a specific job.
 - b) Where all costs are directly charged to a group of products.
 - c) Where cost is ascertained for a single product.
 - d) Where the nature of the product is complex and method cannot be ascertained.

PART 2: DIFFERENCES QUESTIONS

17. Differentiate between cost control and cost reduction. [M19 (N) – 4M, M19 (O) – 4M, M14 (O) – 4M]
18. State differentiate between cost accounting and management accounting [M17 (O) – 4M]

2. MATERIALS**PART 1: DESCRIPTIVE QUESTIONS**

1. Explain obsolescence and circumstances under which materials become obsolete, State the steps to be taken for its treatment. [N18 (N) – 5M]
2. Explain the FIFO and LIFO method of stores issue. [M18 (N) – 2.5M]
3. Explain “Just In Time” (JIT) approach of inventory management. [M18 (N) – 5M]
4. Discuss ABC Analysis as a technique of Inventory Control. [M17 (O) – 7M]
5. Write treatment of items associated with purchase of material: [M16 (O) – 4M]
 - a) Cash Discount
 - b) Subsidy/Grant/Incentives
 - c) GST
 - d) Commission brokerage paid

PART 2: DIFFERENCES QUESTIONS

6. Distinguish clearly between Bin Cards and Stores Ledgers. [N17 (O) – 4M]

3. LABOUR**PART 1: DESCRIPTIVE QUESTIONS**

1. Describe the remedial steps to be taken to minimize the labour turnover [M19 (O) – 4M]
2. Define “Labour Turnover”. How is it measure? Explain. [N14 (O) – 4M]

4. OVERHEADS**PART 1: DESCRIPTIVE QUESTIONS**

1. State the bases of apportionment of following overhead costs: [N18 (N) – 5M]
 - a) Air-conditioning
 - b) Time keeping
 - c) Depreciation of plant and machinery
 - d) Power / steam consumption
 - e) Electric power (Machine operation) [N15 (O) – 4M]
2. Explain how under-absorption and over-absorption of overheads are treated in Cost Accounts.
3. How would you account for idle capacity cost in Cost Accounting? [N15 (O) – 4M]
4. Explain Treatment of overhead and under-absorption of overheads in cost accounting [N14 (O) – 4M]

5. INTEGRATED AND NON-INTEGRATED ACCOUNTS**PART 1: DESCRIPTIVE QUESTIONS**

1. Explain integrated accounting system and its advantages [M19 (N) – 4M]
2. State the benefits of integrated Accounting. [M15 (O) – 4M]

6. RECONCILIATION**PART 1: DESCRIPTIVE QUESTIONS**

1. List the financial expenses which are not included in cost? [N18 (O) – 4M]
2. What are the motivational factors for adopting a reconciliation process? Explain [N17 (O) – 4M]

7. JOB COSTING**PART 1: DESCRIPTIVE QUESTIONS**

1. Uniform costing [M19 (O) – 2M]

PART 2: DIFFERENCES QUESTIONS

[M19 (O) – 5M]

2. Difference between job costing and batch costing .name three such industries where these are used.

8. CONTRACT COSTING**PART 1: DESCRIPTIVE QUESTIONS**

1. Explain “Retention Money” and “Progress payment” in contract. [N17 (O) – 4M]
2. Discuss briefly the principles to be followed while taking credit for profit on incomplete contracts. [M17 (O) – 6M]

3. What is meant by Job Costing? Give examples of (any four) industries where it is used. [N16 (O) – 4M]
4. What is cost plus contract? What are its advantages? [M16 (O) – 4M]
5. State the escalation clause in contract costing. [M15 (O) – 4M]

9. OPERATING COSTING

PART 1: DESCRIPTIVE QUESTIONS

1. State the units of cost for the following. [M14 (O) – 4M]
 - i) Transport
 - ii) Power
 - iii) Hotel
 - iv) Hospital

10. PROCESS AND OPERATION COSTING

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11. JOINT AND BY PRODUCTS

PART 1: DESCRIPTIVE QUESTIONS

1. How are By products treated in Costing? [N18 (N) – 4M]

12. STANDARD COSTING

PART 1: DESCRIPTIVE QUESTIONS

1. State distinct groups of variances that arise in standard costing. [M18 (O) – 4M]
2. Describe the various steps involved in adopting standard costing system in an organization [N15 (O) – 4M]

13. MARGINAL COSTING

PART 1: DESCRIPTIVE QUESTIONS

1. What are the limitations of marginal costing [M19 (N) – 4M]
2. Explain the Angle Of Incidence. [N18 (O) – 4M]

PART 1: DESCRIPTIVE QUESTIONS

1. What are the case when flexible budget is found suitable [M19 (N) (O) – 4M]
2. Why 'Zero Base Budgeting' (ZBB) is considered superior to "Trading Budgeting"? Explain. [M18 (N) – 5M]
3. Describe the salient features of budget manual. [M18 (O) – 4M, M14 – 4M]
4. Explain the flexible Budget [N17 (O) – 2M]

PART 2: DIFFERENCES QUESTIONS

5. State the difference between Fixed budget and Flexible budget [M16 (O) – 4M]

14. BUDGETARY CONTROL

15. UNIT & BATCH COSTING

PART 1: DESCRIPTIVE QUESTIONS

1. Explain the "Job Costing" and "Batch Costing". [M18 (O) – 5M]

16. ACTIVITY BASED COSTING

PART 1: DESCRIPTIVE QUESTIONS

1. Explain 'Activity Based Budgeting' [N18 (N) – 5M]
2. Discuss the requirements of implementing Activity Based Costing. [MTP2 M18 (N) – 5M]

THE END

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