

C 42723-A

(Pages : 4)

Name.....

Reg. No.....

**SECOND SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY)  
EXAMINATION, APRIL 2023**

(CBCSS)

M.Com.

MCM 2C 08—STRATEGIC COST ACCOUNTING

(2019 Admission onwards)

[Improvement Candidates need not appear for MCQ Part]

(Multiple Choice Questions for SDE Candidates)

Time : 20 Minutes

Total No. of Questions : 20

Maximum : 5 Weightage

**INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

MCM 2C 08—STRATEGIC COST ACCOUNTING  
(Multiple Choice Questions for SDE Candidates)

1. Contribution is known as \_\_\_\_\_.
  - (A) Marginal income.
  - (B) Marginal cost.
  - (C) Gross profit.
  - (D) Net income.
2. Increase in variable cost :
  - (A) Increases in PV ratio.
  - (B) Decreases breakeven point.
  - (C) Increases margin of safety.
  - (D) None the above.
3. Painting the product would be an example of which activity level groups ?
  - (A) Facility-level activity.
  - (B) Product-level activity.
  - (C) Unit-level activity.
  - (D) Batch-level activity.
4. Which of the following arguments support integrating ABC with the general ledger system for GAAP, rather than using a separate stand alone ABC system ?
  - (A) Managers tend to prefer a single accounting system for product costing.
  - (B) Two separate systems tend to be confusing for management.
  - (C) Two separate systems tend to create redundant information and staff.
  - (D) All of the above.
5. The Cooper/Kaplan "Rule of One" refers to the following :
  - (A) Only one overhead rate should be used to allocate fixed costs.
  - (B) If only one item is represented by an activity cost pool, then the cost can be easily fixed.
  - (C) If there is more than one activity cost pool, then one of the cost pools must be fixed.
  - (D) Traditional cost allocation systems will distort the allocations for at least one cost pool.
6. One characteristic of products that are mass-produced in a continuous production process is:
  - (A) The products are identical or very similar in nature.
  - (B) They are grouped in batches.
  - (C) They are produced at the time an order is received.
  - (D) Their costs are accumulated on job cost sheets.

7. The journal entry that assigns raw materials costs in a process costing system includes :
- (A) Debit to raw materials.
  - (B) Credit to raw materials.
  - (C) Debit to Accounts Payable.
  - (D) Credit to Work in Process.
8. The process costing system is best suited for :
- (A) Industries where different types of products are manufactured.
  - (B) Industries where homogenous products are manufactured on continuous basis.
  - (C) Service industry only.
  - (D) All of the above.
9. The direct material costing Rs. 4,000 has been used in mixing department. The correct journal entry would be :
- (A) Direct materials Dr. and work in process-mixing department CR.
  - (B) Work-in-process-mixing department Dr and Direct materials Cr.
  - (C) Finished goods DR and Direct materials Cr.
  - (D) Mixing department Dr and Direct material Cr.
10. A loss in processing departments which can be avoided under normal and efficient working conditions is generally known as :
- (A) Normal loss.
  - (B) Extra loss.
  - (C) Abnormal loss.
  - (D) Department loss.
11. What does FIFO mean ?
- (A) Finished stock In Finished stock out.
  - (B) Fabrications Inward Fabrications Outward.
  - (C) Final Input Final Output.
  - (D) First In First Out.
12. Which type of inventory system is updated inventory system?
- (A) Periodic inventory system.
  - (B) Contingency inventory system.
  - (C) LIFO.
  - (D) Perpetual inventory system.
13. In LIFO method of inventory valuation ?
- (A) Issue of stocks to production is at latest price.
  - (B) Closing stock is at latest price.
  - (C) Both (A) and (B).
  - (D) Neither (A) nor (B).

Turn over



14. Sales revenues are usually considered earned when ?
- (A) Cash is received from credit sales.
  - (B) An order is received.
  - (C) Goods have been transferred from the seller to the buyer.
  - (D) Adjusting entries are made.
15. Pareto Principle is \_\_\_\_\_ rule.
- (A) 80/20.
  - (B) 50/50.
  - (C) 60/40.
  - (D) 10/90.
16. Lean management has been developed with the intention of reducing \_\_\_\_\_ and the value of the product or the service to the customer.
- (A) Cost.
  - (B) Value Cost.
  - (C) Process Waste.
  - (D) Profit.
17. \_\_\_\_\_ describes the activities within and around an organization, and relates them of the competitive strength of the organization.
- (A) Value Chain Analysis.
  - (B) Value Management.
  - (C) Value Engineering.
  - (D) Strategic Cost.
18. \_\_\_\_\_ is introduced as a technique that aims to manage product costs through stage.
- (A) Process Costing.
  - (B) Product Costing.
  - (C) Target Costing.
  - (D) Strategic Costing.
19. Backflushcosting is an accounting method that records costs after a good is sold is \_\_\_\_\_.
- (A) Initiated.
  - (B) Progressed.
  - (C) Completed.
  - (D) Planned.
20. TQM stands for \_\_\_\_\_.
- (A) Total Quality Misrepresentation.
  - (B) Team Quality Manager.
  - (C) Total Quality Management.
  - (D) Theoretical Quality Management.