

CMA Question Bank

NEP 3rd Semester

Module No 1. Introduction to cost accounting.

Two Marks questions

1. Define cost Accounting.
2. State any two Objectives of cost Accounting.
3. Define the terms Cost object and Cost Driver.
4. Name the different Methods of costing.
5. Give the meaning of fixed cost and variable cost'.
6. What is a cost Center and cost unit?
7. Discuss any four uses of IT in cost accounting.
8. What is direct and indirect cost? Give one example each.
9. How you treat the following item while preparing cost sheet
 1. Drawing office salary
 2. Interest on Bank Loan
 2. Chargeable expenses
 3. Counting House salary

Five Marks questions.

1. Explain any five differences between Financial and cost accounting.
2. Define cost Accounting. Discuss briefly its objects.
3. Write a Note on Functional classification of cost?
4. What are the advantages of cost accounting?
5. Write a note on classification of cost by behavior.
6. What is cost centre? What are its different types?
7. What is a cost driver? Explain the types of cost driver.
8. Problems on tenders and quotations.

15 marks questions

Problems on cost sheet.

Module 2: Material Cost

Two Marks question.

1. What is material Cost
2. What do you mean by direct material cost? Give examples.
3. What do you mean by indirect material cost? Give examples.
4. What is material control? What is centralized purchasing system?
5. What is decentralized purchasing?
6. What is purchase requisition?
7. What is purchase order? What is goods received note? What is material returned note?
8. What do you mean by stores ledger?
9. What is reorder Level?
10. What do you mean by danger level?
11. Define Economic order quantity? Give Formula.
12. Calculate EOQ from the following: Annual consumption 18000 units, order placing cost Rs.400 and cost of carrying one unit of inventory for one year is Rs.10.
13. What is periodic Inventory System?
14. What is perpetual inventory system
15. What is Material requisition note?
16. What is bill of materials?
17. What is the meaning of classification and codification? What do you mean by Scrap?
18. What do you mean by defectives?
19. What is spoilage?

Five Marks Questions.

1. State the objectives of material control.
2. What are the advantages of material Control?
3. Briefly explain the purchase procedure.
4. State the duties of the Store Keeper.
5. What is purchase order? Give the specimen of the purchase order
6. Write a note on techniques of Inventory control.

7. Explain the ABC analysis as a means of inventory Control and what are its advantages?
8. Problems of fixation of stock levels.
9. Problems on weighted average method and simple average Method.
Preferably on weighted average method.

15 Marks Questions.

1. Problems on FIFO method and LIFO method. Preferably on FIFO Method.

Module 3: Labour Cost

2 Marks Questions

1. What is Direct Labour cost?
2. What is Indirect Labour Cost?
3. Give examples for Fringe Benefits.
4. What is Time Keeping
5. What is time booking?
6. What is idle time? Name the types of idle time.
7. What is normal idle time?
8. What is abnormal idle time?
9. What do you mean by Labour Turnover?
10. What do you mean by Pay roll?

Five Marks Questions.

1. Bring out causes for Normal Idle time.
2. Bring out causes for Abnormal Idle time.
3. How Normal idle time and abnormal idle time are treated?
4. Give reasons for unavoidable Labour turnover?
5. Give reasons for avoidable Labour turnover.
6. What are the effects of Labour turnover?
7. What are the steps involved in the preparation of Pay roll?

Problems on methods of wage payment .Time Rate system, Piece rate system, Incentive Schemes-Halsey Plan, Rowns Plan, Taylors Differential piece rate system problems.

15 Marks questions

1. What do you mean by Labour turnover? What are the causes and effects of Labour turnover?

Topics for assignment

Overtime-Meaning, causes and treatment of overtime.

Module 4: Overhead Cost.

Two Marks Questions

1. Define Overhead?
2. Name the classification of the Overhead?
3. What is meant by allocation of overheads?
4. What is meant by apportionment of overheads?
5. What do you mean by primary distribution and secondary distribution summary?
6. What is meant by absorption of overheads?
7. What do you mean by factory overhead rates?
8. Name any three bases adopted for recovery of factory overhead.
9. What is machine hour rate?
10. What is allocation of overhead? How it is different from absorption?

Five Marks questions.

1. What is overheads? What are the various steps involved in Overheads.
2. What are over heads? Explain the classification of overheads on the basis of functions.
3. Distinguish between Allocation, Apportionment and Absorption of overheads.
4. Distinguish between Overhead Allocation and Apportionment.
5. Explain the different methods of Reapportionment of service department cost.
6. What is overhead Absorption briefly explain any two methods of Absorption.
7. Write the suitable basis for the appointment of the following overheads to
 - a) Labour welfare expenses
 - b) Insurance
 - c) Sundry expenses
 - d) Lighting
 - e) Electric Power
 - f) Depreciation on machinery
8. State the advantages and disadvantages of machine hour rate method.

9. Problems on absorption of overhead rate based on labour hour and machine hour, Problems on Machine hour Method.

15 Mark Questions.

Problems of primary and secondary distribution overheads under simultaneous equation method or repeated distribution method.

Module 5: Reconciliation of cost and financial Accounts

Two Marks questions

1. Why cost and financial Accounts are reconciled?
2. State any four terms which are included in the financial accounts but not in cost accounting.
3. State any two terms which are included in cost accounts and not in financial Accounts.
4. Depreciation charged in Cost Accounting is Rs.12,500 and in financial books is Rs.11,200. What will be the financial profit when the Cost accounting profit is Rs.5,000 .
5. When cost accounting loss is Rs.5,000, Administrative overhead under absorbed being Rs.400 the loss as per financial account should be?

Five Marks questions

1. Write a note on Reconciliation of cost and financial accounts.
2. Enumerate any five causes for difference in Profits shown by Cost and financial Accounts.
3. Why is reconciliation of cost and financial accounting necessary
4. Small problems on reconciliation with 5 to 6 items can be asked.

15 marks question

Problems on reconciliation with two balances or one Balance and some 10 items for adjustment or Trading and profit and loss account and adjustments are to be given. Cost Sheet and Reconciliation statement to be prepared.