

**S.Y.B.Com**  
**COST AND WORKS ACCOUNTING**  
**PAPER I**

**Chapter 2: Elements of Cost**  
**Multiple Choice Questions**  
**(Fill in the blanks)**

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1] Material, Labour and Expenses are the three important \_\_\_\_\_ of cost.

- A] Methods
- B] Elements
- C] Techniques

2] \_\_\_\_\_ cost is the cost of commodities supplied to an undertaking.

- A] Material
- B] Labour
- C] Expenses

3] Direct Labour Cost is also known as \_\_\_\_\_.

- A] Indirect Labour
- B] Indirect Wages
- C] Direct Wages

4] The expenses which cannot be directly identified with a particular unit or cost centre is known as \_\_\_\_\_.

- A] Indirect Labour
- B] Indirect material
- C] Indirect expenses

5] \_\_\_\_\_ expenses are also called as chargeable expenses.

- A] Partly direct and partly indirect
- B] Indirect
- C] Direct

6] The aggregate of indirect material, indirect labour and indirect expenses is termed as \_\_\_\_\_.

- A] Material Cost
- B] Overheads
- C] Labour Cost

7] The overhead cost incurred from the stage of procurement of raw material till the stage of production of finished goods is known as \_\_\_\_\_.

- A] Office overheads
- B] Factory overheads
- C] Selling overheads

8] Office overheads are also known as \_\_\_\_\_ overheads.

- A] Factory
- B] Selling
- C] Administrative

9] The cost of activities relating to create and stimulate demand for company's products and to secure orders is known as \_\_\_\_\_ overheads.

- A] Administrative
- B] Factory
- C] Selling and Distribution

10] Non-cost items are those which are \_\_\_\_\_ from the cost.

- A] Excluded
- B] Included
- C] Partly included

11] Classification of cost into factory cost, administrative cost, selling & distribution cost and research and development cost is done on the basis of \_\_\_\_\_.

- A] Elements
- B] Functions
- C] Time

12] The cost that remains unchanged inspite of change in volume of production is known as \_\_\_\_\_.

- A] Fixed cost
- B] Variable cost
- C] Semi-variable cost

13] \_\_\_\_\_ cost is partly variable and partly fixed.

- A] Fixed cost
- B] Semi-variable cost
- C] Variable cost

14] \_\_\_\_\_ is a statement showing cost of production of a particular product.

- A] Tender
- B] Quotation
- C] Cost sheet

15] The total of works cost and administrative overheads is known as \_\_\_\_\_.

- A] Prime cost
- B] Cost of Production
- C] Works cost

16] \_\_\_\_\_ is the total of prime cost and factory overheads.

- A] Cost of production
- B] Works cost
- C] Cost of material consumed

17] Consumables are treated as \_\_\_\_\_ overheads in cost sheet.

- A] Factory
- B] Office
- C] Selling and Distribution

18] If the total cost of a product is Rs.25, 000/- and the sales figure is 47,000/-, then the product is in \_\_\_\_\_ by Rs.22, 000/-.

- A] Loss
- B] Profit
- C] Neither profit nor loss

19] In cost sheet the expenses on discount allowed are considered under \_\_\_\_\_ overheads.

- A] Factory
- B] Office
- C] Selling and Distribution

20] \_\_\_\_\_ cost is predetermined cost for each element of cost.

- A] Marginal
- B] Historical
- C] Standard

**ANSWERS:**

- 1] Elements
- 2] Material
- 3] Direct Wages
- 4] Indirect Expenses
- 5] Direct
- 6] Overheads
- 7] Factory Overheads
- 8] Administrative
- 9] Selling and Distribution
- 10] Excluded
- 11] Functions
- 12] Fixed cost
- 13] Semi-variable cost
- 14] Cost sheet
- 15] Cost of production
- 16] Works cost
- 17] Factory
- 18] Profit
- 19] Selling and Distribution
- 20] Standard

Reference:

Text book on Cost & Works Accounting by Dr.N.M.Nare & Prof.T.R.Thorat, Atharva Prakashan, Pune.

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