



ST. LAWRENCE HIGH SCHOOL

27, BALLYGUNGE CIRCULAR ROAD



Class : 12

Subject : COST and TAX

Term : SECOND TREM

Max Marks : 80

Q 1 : In which of the following methods materials are issued at a price which lag behind the current market values?

Marks : 1

- 1 . LIFO
- 2 . FIFO
- 3 . Weighted Average Method
- 4 . None of these

(This Answer is Correct)

Q 2 : In which of the following methods, material charge to production is not at the actual price?

Marks : 1

- 1 . Weighted Average Method
- 2 . FIFO
- 3 . LIFO
- 4 . All of these.

(This Answer is Correct)

Q 3 : Opening balance of raw materials 50 units @ ₹4. Purchased 150 units @ ₹6. Issued 100 units. Value of Closing Stock under weighted average method is

Marks : 1

- 1 . ₹ 600
- 2 . ₹ 500
- 3 . ₹ 550
- 4 . None of these

(This Answer is Correct)

Q 4 : In which of the following methods of pricing materials issues, closing stock of materials reflects current price?

Marks : 1

- 1 . FIFO method
- 2 . LIFO method
- 3 . Simple Average Method
- 4 . None of these

(This Answer is Correct)

Q 5 : Shortage of raw materials is recorded

Marks : 1

- 1 . Only in Stores Ledger
- 2 . Only in Bin Card
- 3 . In the issue column of Store Ledger and Bin Card

(This Answer is Correct)

4. In the receipt column of Store Ledger and Bin Card

Q 6 : Which of the following is not used for the preparation of Store Ledger? **Marks : 1**

1. Store requisition
2. Name and Code No. of raw material
3. Goods received note
4. Purchase requisition

(This Answer is Correct)

Q 7 : Opening balance of raw materials 50 units @ ₹4. Purchased 100 units @ ₹6. Issued 100 units. Value of Closing Stock under FIFO method is **Marks : 1**

1. ₹ 200
2. ₹ 300
3. ₹ 250
4. ₹ 312

(This Answer is Correct)

Q 8 : Opening stock of raw material is 100 units @ ₹10; purchased 200 units of raw materials @ ₹12; raw materials issued 250 units. What will be the value of closing stock under LIFO? **Marks : 1**

1. ₹ 600
2. ₹ 550
3. ₹ 500
4. ₹ 567

(This Answer is Correct)

Q 9 : Normal idle time occurs due to **Marks : 1**

1. Avoidable Cause
2. Uncontrollable Cause
3. Unavoidable Cause
4. Both (2) and (3)

(This Answer is Correct)

Q 10 : Calculate the earning of the worker under Merrick's Multiple Piece Rate System, when standard production is 240 units, actual production is 220 units and piece rate is ₹4 **Marks : 1**

1. ₹ 720
2. ₹ 880
3. ₹ 1,000
4. ₹ 968

(This Answer is Correct)

Q 11 : Calculate the earning of the worker under Taylor's Differential Piece Rate System, when standard production is 24 units, actual production is 23 units and piece rate is ₹1.00 **Marks : 1**

- 1 . ₹ 28.80
- 2 . ₹ 18.40
- 3 . ₹ 23
- 4 . ₹ 24

(This Answer is Correct)

Q 12 : Standard production in 45 hours is 200 units. If actual production of a worker in that time is 240 units, then time saved will be **Marks : 1**

- 1 . 9 hours
- 2 . 8 hours
- 3 . 7 hours
- 4 . 10 hours

(This Answer is Correct)

Q 13 : In a week of 48 hours, the entry and exit time of a worker to and from the factory is determined at 46 hours. If the worker spent 43 hours in different jobs in that week, idle time is **Marks : 1**

- 1 . 5 hours
- 2 . 2 hours
- 3 . 3 hours
- 4 . 4 hours

(This Answer is Correct)

Q 14 : The net annual value and interest on borrowed capital are respectively ₹90,000 and ₹20,000, then income from house property will be **Marks : 1**

- 1 . ₹ 70,000
- 2 . ₹ 43,000
- 3 . ₹ 63,000
- 4 . None of these

(This Answer is Correct)

Q 15 : Total amount of municipal tax paid by the owner ₹20,000 for the Previous Year 2019-20 and ₹10,000 for the Previous Year 2018-19 in the Previous Year 2019-20, the deductible amount of municipal tax will be **Marks : 1**

- 1 . ₹ 20,000
- 2 . ₹ 10,000
- 3 . ₹ 30,000
- 4 . None of these

(This Answer is Correct)

Q 16 : If a person built a house property on the land which is taken on lease will be considered as **Marks : 1**

- 1 . Tenant
- 2 . Lessee
- 3 . Owner of building

(This Answer is Correct)

4 . None of these

Q 17 : Maximum limit of deduction u/s 24(b) for let out house property is

Marks : 1

- 1 . ₹ 30,000
- 2 . ₹ 200,000
- 3 . ₹ 300,000
- 4 . None of these**

(This Answer is Correct)

Q 18 : Which of the following is not a capital asset?

Marks : 1

- 1 . leasehold property
- 2 . goodwill
- 3 . US Dollar
- 4 . 6.5% gold bond**

(This Answer is Correct)

Q 19 : Which of the following is a capital asset?

Marks : 1

- 1 . stainless steel utensils
- 2 . silver utensils
- 3 . copper utensils
- 4 . None of these**

(This Answer is Correct)

Q 20 : A car dealer has 10 motor cars in his stock, it is considered as

Marks : 1

- 1 . fixed asset
- 2 . capital asset
- 3 . stock-in-trade**
- 4 . None of these

(This Answer is Correct)

Q 21 : Short-term of unlisted securities is

Marks : 1

- 1 . 12 months or less
- 2 . 24 months or less**
- 3 . 36 months or less
- 4 . 48 months or less

(This Answer is Correct)

Q 22 : Capital assets under Income Tax Act, 1961, can be short-term capital assets or long-term capital assets on the basis of their

Marks : 1

- 1 . cost price
- 2 . sale price

3 . mode of transfer

4 . period of holding of asset by the assessee preceding the date of transfer (This Answer is Correct)

Q 23 : The most appropriate method of pricing material issues from the godown in a situation of continuously falling price is **Marks : 1**

1 . FIFO method

(This Answer is Correct)

2 . LIFO method

3 . Simple Average Method

4 . Weighted Average Method

Q 24 : The method which is not applicable for frequently fluctuating market price is **Marks : 1**

1 . Weighted Average Method

2 . Simple Average Method

(This Answer is Correct)

3 . Both (1) and (2)

4 . None of these

Q 25 : Material or Stores Requisition Note is prepared by **Marks : 1**

1 . Store Department

2 . Production Department

(This Answer is Correct)

3 . Engineering Department

4 . Cost Department

Q 26 : Opening balance 1,000 units @ ₹46 per unit. Purchases 200 units @ ₹50 per unit. Issues : 800 units. Closing stock to be valued under simple average method at **Marks : 1**

1 . ₹46/unit

2 . ₹48/unit

(This Answer is Correct)

3 . ₹50/unit

4 . ₹46.67/unit

Q 27 : Bin Card is prepared by **Marks : 1**

1 . Cost Department

2 . Purchase Department

3 . Stores Department

(This Answer is Correct)

4 . Engineering Department

Q 28 : Goods Received Note is prepared by **Marks : 1**

- 1 . Cost Department
- 2 . Purchase Department
- 3 . Engineering Department
- 4 . Stores Department

(This Answer is Correct)

Q 29 : Material Return Note is prepared by

Marks : 1

- 1 . Cost Department
- 2 . Production Department
- 3 . Engineering Department
- 4 . Stores Department

(This Answer is Correct)

Q 30 : Bill of Materials is prepared by

Marks : 1

- 1 . Cost Department
- 2 . Production Department
- 3 . Engineering Department
- 4 . Stores Department

(This Answer is Correct)

Q 31 : Who, among the following prepares purchase requisition?

Marks : 1

- 1 . Storekeeper
- 2 . Purchase Manager
- 3 . Production Manager
- 4 . Finance Manager

(This Answer is Correct)

Q 32 : Simple Average Method of pricing of materials issues in applicable during

Marks : 1

- 1 . inflation
- 2 . deflation
- 3 . when prices are fairly stable
- 4 . when prices are fluctuating

(This Answer is Correct)

Q 33 : Which of the following is an abnormal cause of idle time?

Marks : 1

- 1 . Time taken by workers to travel the distance between the main gate of factory and place of their work.
- 2 . Time loss between the finish of one job and starting of next job.
- 3 . Time spent to meet their personal needs like taking lunch, tea etc.
- 4 . Machine break downs

(This Answer is Correct)

Q 34 : _____ is basically recording the details of work done and time spent by workers on each job or process **Marks : 1**

- 1 . Time Keeping
- 2 . Time Booking
- 3 . Time Spending
- 4 . Idle Time Register

(This Answer is Correct)

Q 35 : Under _____ of time keeping each worker is allotted a token with a hole bearing his identification number **Marks : 1**

- 1 . Time Recording Clocks
- 2 . Attendance Register Method
- 3 . Dial Time Records
- 4 . Metal Disc Method

(This Answer is Correct)

Q 36 : _____ refers to correct recording of the employees attendance time **Marks : 1**

- 1 . Time Booking
- 2 . Time Keeping
- 3 . Time Spending
- 4 . Time Pass

(This Answer is Correct)

Q 37 : Which of the following is the Manual Method of Time Keeping? **Marks : 1**

- 1 . Metal Disc Method
- 2 . Dial Time Records
- 3 . Time Recording Clocks
- 4 . Biometric System

(This Answer is Correct)

Q 38 : Objectives of time-keeping is/are **Marks : 1**

- 1 . preparation of pay-roll
- 2 . determination of overhead
- 3 . maintain discipline in a factory
- 4 . All of these.

(This Answer is Correct)

Q 39 : _____ is of almost importance where payment is made on the basis of time worked. **Marks : 1**

- 1 . Classification of workers as direct labour and indirect labour
- 2 . Computation of factory overhead rate on the basis of labour hours
- 3 . Classification of various payments made to a worker

(This Answer is Correct)

4 . Correct recording of employees attendance time

Q 40 : In "Time Rate System" of wage payment wage rate can be fixed on

Marks : 1

- 1 . Hourly, daily or monthly basis
- 2 . Weekly, fortnightly or monthly basis
- 3 . Daily, weekly, fortnightly or monthly basis
- 4 . Hourly, daily, weekly, fortnightly or monthly basis

 (This Answer is Correct)

Q 41 : Which of the following formula is correct for calculating earning of the workers as per 'Piece Rate System' of wage payment?

Marks : 1

- 1 . Standard output x Rate per unit
- 2 . Actual Output x Rate per hour
- 3 . No. of units produced x Rate per unit
- 4 . Standard output x Rate per hour

 (This Answer is Correct)

Q 42 : If efficiency of worker is below 100%, as per Taylor's differential piece rate system the worker will get

Marks : 1

- 1 . Normal piece rate wage
- 2 . Normal piece rate wage x 110%
- 3 . Normal piece rate wage x 80%
- 4 . Normal piece rate wage x 120%

 (This Answer is Correct)

Q 43 : In a job, time allowed is 15 hours and time taken is 10 hours. Calculate total earning under Halsey Scheme when time rate is ₹40.

Marks : 1

- 1 . ₹ 500
- 2 . ₹ 100
- 3 . ₹ 533.33
- 4 . None of these

 (This Answer is Correct)

Q 44 : Standard time of a job is 10 hours and time rate is ₹10 per hour. A worker takes 6 hours to finish the job . Calculate his bonus under Rowan Premium Plan.

Marks : 1

- 1 . ₹ 84
- 2 . ₹ 24
- 3 . ₹ 60
- 4 . ₹ 20

 (This Answer is Correct)

Q 45 : Which of the following is not requisite of good wage payment plan?

Marks : 1

1. Simple and easy to understand
2. Maximum labour turnover
3. Guarantee a minimum wage
4. All of these.

(This Answer is Correct)

Q 46 : Rate of wages per hour is ₹30. If one unit of product requires 5 minutes to produce, then the rate of wage per unit will be **Marks : 1**

1. ₹ 3.50
2. ₹ 5.00
3. ₹ 2.50
4. ₹ 12

(This Answer is Correct)

Q 47 : If municipal value, fair rent and standard rent of a house property is ₹70,000, ₹65,000 and ₹62,000 respectively, the RER will be **Marks : 1**

1. ₹ 70,000
2. ₹ 65,000
3. ₹ 62,000
4. None of these

(This Answer is Correct)

Q 48 : If net municipal value of a house property is ₹81,000 and fair rent is ₹80,000, then notional rent is **Marks : 1**

1. ₹ 80,000
2. ₹ 81,000
3. ₹ 95,000
4. None of these

(This Answer is Correct)

Q 49 : If the municipal value , fair rent, standard rent and annual rent of a house property are ₹60,000, ₹70,000, ₹80,000, ₹90,000 respectively, then gross annual value will be **Marks : 1**

1. ₹ 90,000
2. ₹ 80,000
3. ₹ 70,000
4. ₹ 60,000

(This Answer is Correct)

Q 50 : Interest on Borrowed Capital is deductible under **Marks : 1**

1. Cash basis
2. Accrual basis
3. Mixed basis
4. None of these

(This Answer is Correct)

Q 51 : Municipal tax amounting to ₹10,000 paid by the tenant . Amount of deduction will be **Marks : 1**

- 1 . ₹ 5,000
- 2 . ₹ 10,000
- 3 . ₹ 0** (This Answer is Correct)
- 4 . None of these

Q 52 : Chargeability of tax under section 22 depends upon **Marks : 1**

- 1 . Occupation of property
- 2 . Possession of property
- 3 . Ownership of property** (This Answer is Correct)
- 4 . All of these.

Q 53 : If the house property is used for the own business , then it is _____ to compute the income from house property. **Marks : 1**

- 1 . included
- 2 . excluded** (This Answer is Correct)
- 3 . partly included
- 4 . partly excluded

Q 54 : For calculating Net Municipal Value, _____% of rebate is allowed. **Marks : 1**

- 1 . 10** (This Answer is Correct)
- 2 . 20
- 3 . 30
- 4 . 5

Q 55 : Calculation of RER depends upon Municipal Value, Standard Rend and _____ **Marks : 1**

- 1 . Annual Rent
- 2 . Actual Rent
- 3 . Fair Rent** (This Answer is Correct)
- 4 . Vacancy Rent

Q 56 : Percentage of Standard Deduction is **Marks : 1**

- 1 . 30%** (This Answer is Correct)
- 2 . 25%
- 3 . 20%

4 . 10%

Q 57 : Standard Rent of the property is fixed under

Marks : 1

- 1 . Rent Control Act
- 2 . Contract Act
- 3 . Land Acquisition Act
- 4 . Income Tax Act

(This Answer is Correct)

Q 58 : In four metropolitan cities, municipal tax is calculated on

Marks : 1

- 1 . Gross Municipal Value
- 2 . Net Municipal Value
- 3 . Location of the House
- 4 . Fair Rent

(This Answer is Correct)

Q 59 : Municipal tax is deductible under

Marks : 1

- 1 . Cash basis
- 2 . Accrual basis
- 3 . Mixed basis
- 4 . None of these

(This Answer is Correct)

Q 60 : Maximum number of house one can possess is

Marks : 1

- 1 . 1
- 2 . 2
- 3 . 3
- 4 . None of these

(This Answer is Correct)

Q 61 : For deemed to be let out house property, which of the following is relevant?

Marks : 1

- 1 . Municipal Value
- 2 . Fair Rent
- 3 . Actual Rent
- 4 . Standard Rent

(This Answer is Correct)

Q 62 : Income from House Property comes at which position in the Heads of Income?

Marks : 1

- 1 . 1
- 2 . 2

(This Answer is Correct)

3 . 3

4 . 4

Q 63 : Identify the section of Income Tax Act which is relevant to capital asset?

Marks : 1

1 . section 45

(This Answer is Correct)

2 . section 45(1)

3 . section 54

4 . section 54F

Q 64 : Identify the section of Income Tax Act which is relevant to capital gain?

Marks : 1

1 . section 45

2 . section 45(1)

(This Answer is Correct)

3 . section 54

4 . section 54F

Q 65 : If a property is bought at ₹5,00,000 and sold at ₹5,50,000, then amount of capital gain is

Marks : 1

1 . ₹ 500,000

2 . ₹ 550,000

3 . ₹ 50,000

(This Answer is Correct)

4 . None of these

Q 66 : Capital asset is

Marks : 1

1 . chargeable to income tax

2 . not chargeable to income tax

(This Answer is Correct)

3 . occasionally chargeable to income tax

4 . None of these

Q 67 : Share is a short-term capital asset when it is held by an assessee for

Marks : 1

1 . more than 12 months

2 . 12 months or less than it

(This Answer is Correct)

3 . less than 12 months

4 . less than 36 months

Q 68 : Long-term capital asset is defined under section

Marks : 1

1 . 2(42A)

(This Answer is Correct)

- 2 . 2(29A)
 - 3 . 10(13A)
 - 4 . None of these
-

Q 69 : Daily apparel is **Marks : 1**

- 1 . short-term capital asset
- 2 . long-term capital asset
- 3 . medium-term capital asset
- 4 . None of these

 (This Answer is Correct)

Q 70 : Mr. D bought a gold necklace from Senco Gold on 1.1.2019 and sold it on 1.1.2020, and then it is termed as **Marks : 1**

- 1 . short-term capital asset
- 2 . long-term capital asset
- 3 . both short-term and long-term capital asset
- 4 . None of these

 (This Answer is Correct)

Q 71 : Mr. R is the owner of a house property which he bought in 1973 at ₹50,000 and he sold the same on 1.1.2020 at ₹10,00,000 ----- it is termed as **Marks : 1**

- 1 . short-term capital asset
- 2 . long-term capital asset
- 3 . both short-term and long-term capital asset
- 4 . None of these

 (This Answer is Correct)

Q 72 : Wedding dress beaded with diamonds and other precious stones is **Marks : 1**

- 1 . short-term capital asset
- 2 . long-term capital asset
- 3 . both short-term and long-term capital asset
- 4 . None of these

 (This Answer is Correct)

Q 73 : What do you mean by 'Transfer of Capital Asset'? **Marks : 1**

- 1 . Sale
- 2 . Exchange
- 3 . Relinquishment
- 4 . all of these

 (This Answer is Correct)

- Q 74 :** If any loss arises due to the transfer of capital asset, then under which head will it be assessed? **Marks : 1**
- 1 . Income from business
 - 2 . Income from capital gain (This Answer is Correct)
 - 3 . Income from other sources
 - 4 . none of these.
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- Q 75 :** Documents on the basis of which entries are made in the Bin Card are **Marks : 1**
- 1 . Goods Received Note
 - 2 . Store Requisition Note
 - 3 . Material Return Note
 - 4 . All of these. (This Answer is Correct)
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- Q 76 :** Bill of Materials is a **Marks : 1**
- 1 . list of materials to be purchased
 - 2 . list of materials required to execute a job
 - 3 . list of materials to be issued by the storekeeper to execute a job
 - 4 . Both (2) and (3) (This Answer is Correct)
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- Q 77 :** Standard production 12 units per hour, normal time rate ₹24 per hour. In 8 hours, X produced 90 units. Calculate his earning under Taylor's Differential Piece Rate System. **Marks : 1**
- 1 . ₹ 216
 - 2 . ₹ 198
 - 3 . ₹ 144 (This Answer is Correct)
 - 4 . ₹ 180
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- Q 78 :** As per Income Tax Act, 1961, capital assets are **Marks : 1**
- 1 . tangible
 - 2 . intangible
 - 3 . both tangible and intangible (This Answer is Correct)
 - 4 . None of these
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- Q 79 :** Examples of transfer of assets are there----- **Marks : 1**
- 1 . A lease of mines for a salami or advance (This Answer is Correct)
 - 2 . any transfer of a land of a sick industry
 - 3 . any distribution of capital assets after partition of a HUF
 - 4 . any transfer of a capital assets by a company to its Indian Subsidiary Co.
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Q 80 : How much tax rate on short-term capital gain at present?

Marks : 1

- 1 . 15%
- 2 . 20%
- 3 . 25%
- 4 . 30%



(This Answer is Correct)
