



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 4

Class: XI

Sub: Costing & Taxation

Chapter: Unit I: Introduction

F.M.: 15

Topic: Features and advantages of Cost Accounting

Date: 18/06/2020

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1. Cost accounting is the
(a) Branch of knowledge; (b) Flow of knowledge; (c) Reservoir of knowledge; (d) none of these.
 2. Cost accounting has its
(a) own principles; (b) own methodology; (c) own technique; **(d) all of these.**
 3. Cost accounting _____ principles of financial accounting.
(a) uses; (b) does not use; (c) very rarely use; (d) none of these.
 4. Cost accounting is a/an applied
(a) science; (b) mathematics; (c) physics; (d) none of these.
 5. Effectiveness of techniques of cost accounting depends on
(a) sense of judgement of cost accountant; (b) situation based application skill of cost accountant; (c) personal skill of the cost accountant; **(d) all of these.**
 6. Cost accounting is the _____ of financial accounting.
(a) complementary; (b) supplementary; **(c) both (a) and (b) ;** (d) none of these.
 7. Cost accounting _____ cost data.
(a) classifies; (b) records; (c) interprets; **(d) all of these.**
 8. Cost accounting helps in
(a) decision making; (b) identifying weak spots of the organisation; (c) adopting remedial measure; **(d) all of these.**
 9. Cost accounting acts as
(a) aid to management; (b) aid to owner; (c) aid to creditor; (d) none of these.
 10. Control means
(a) to reduce cost; **(b) to reduce deviation between actual and planned performance;** (c) to dictate; (d) none of these.
 11. Make or buy means
(a) either to produce or to buy; **(b) either to produce or to buy depending upon cost impact;** (c) neither produce nor buy; (d) none of these.
 12. Cost control means
(a) reduction of cost; (b) eliminating of cost; (c) removing of cost; (d) none of these.
 13. Fixation of price means
(a) fixation of selling price; (b) fixation of cost price; (c) fixation of market price; (d) none of these.
 14. Decision making means
(a) management decision; (b) administrative decision; **(c) both (a) and (b);** (d) none of these.
 15. Profitability means
(a) capacity of earning profit; (b) no capacity of earning profit; (c) capacity of earning income; (d) none of these.

Compiled by
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