



# ST. LAWRENCE HIGH SCHOOL

*A Jesuit Christian Minority Institution*



## Study Materials 1

**Sub: Costing & Taxation**

**Class: XII**

**Chapter: Unit I: Cost of Materials II**

**F.M.: 15**

**Topic: Methods of Pricing Materials Issues from Stores**

**Date: 13/06/2020**

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Short Answer-Type Questions and Answer:

**1. What do you mean by issue of materials?**

Sending of materials by the storekeeper from stores to different departments to the firm is known as issue of materials.

**2. What do you mean by goods received note?**

Goods received note is a document in which all materials and stores received during the day is recorded by the storekeeper.

**3. What do you mean by Material/ Store Issue Requisition Note?**

Material Issue Requisition Notes are demands upon the storekeeper to issue to bearer or to despatch to particular department stated quantity of materials prescribed there in.

**4. What do you mean by Material Transfer Note?**

When surplus materials relating to one job is transferred to another job without returning the same to the store, the foreman prepare a document indicating the job number to which the materials are transferred, such document is called Material Transfer Note.

**5. What do you mean by Material Return Note?**

When materials requisitioned happens to be more than the requirement, the excess is returned to stores with a document, such document is called Material Return Note.

**6. Why is there no necessity of recording of Bin Card or Stores Ledger for transferring materials from one job to another?**

As this transaction does not in any way affect stores department, no record therefore is necessary in the Bin Card or Store Ledger Account.

**7. What do you mean by Bill of Material?**

A bill of material is a schedule of materials needed for a job or unit of production. It is generally prepared by Engineering Department as soon as an order is received.

**8. State one function of Bill of Materials.**

It enables the store department to issue a purchase requisition so that materials are kept ready at the time of manufacture.

**9. What do you mean by Materials Abstract?**

Periodically an analysis of various requisitions, materials returned notes and material transfer notes should be made and a statement should be prepared which shows at a glance the value of materials consumed in each job. This statement is known as Materials Abstract.

**10. Define Bin Card.**

A Bin Card is a quantitative record of receipts, issues and closing balances of items of stores.