



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 19

Sub: Costing & Taxation

Class: XII

Chapter: Unit I: Cost of Materials II

F.M.: 15

Topic: Merits and Demerits of Weighted Average Method

Date: 12/06/2020

1. Weighted Average Method is
(a) **complicated**; (b) complex; (c) simple; (d) none of these.
2. Weighted Average method has
(a) no limitation; (b) no advantage; (c) all limitations; (d) **none of these**.
3. For calculating rate under weighted average
(a) only rates are taken; (b) only quantity is taken; (c) **both rates and quantity are taken**; (d) none of these.
4. Physical verification of stock is _____ in weighted average method.
(a) **impossible**; (b) possible; (c) sometimes possible; (d) none of these.
5. Store ledger can be prepared under
(a) FIFO; (b) LIFO; (c) Weighted Average Method; (d) **all of these**.
6. Weighted average method _____ give wide fluctuation in values.
(a) does; (b) **does not**; (c) always; (d) none of these.
7. Weighted average method helps to compute
(a) **cost of production based on weighted average cost of materials**; (b) actual cost of production; (c) no cost of production; (d) none of these.
8. Closing stock can be valued _____ under weighted average method.
(a) at cost price; (b) at market price; (c) **at weighted average price**; (d) none of these.
9. Weighted Average Method is ideal when prices of materials fluctuates
(a) **repeatedly**; (b) irregularly; (c) occasionally; (d) none of these.
10. If market price of materials changes rapidly, then weighted average method is
(a) **ideal**; (b) not ideal; (c) not suitable; (d) none of these.
11. Issue price under weighted average method consists of
(a) **quantity and rate**; (b) only single rate; (c) multiple rate; (d) no rate.
12. Quantity of material plays a/an _____ role in weighted average method.
(a) significant;; (b) vital; (c) important; (d) **all of these**.
13. Weighted average method is called weighted because
(a) **rates are computed by taking quantity as weight**; (b) it has heavy weight; (c) complex in execution; (d) none of these.
14. The storekeeper prefers
(a) weighted average method; (b) FIFO; (c) LIFO; (d) **there is no such preference**.
15. If purchase price of materials increases day by day, then weighted average method is considered
(a) **appropriate**; (b) inappropriate; (c) irrelevant; (d) none of these.

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