



St. Lawrence High School

A Jesuit Christian Minority Institution



Answer Key 9

Class: XII

Sub: Costing & Taxation

Chapter: Unit I: Cost of Materials II

Topic: LIFO

F.M.: 15

Date: 12/05/2020

1. Transfer of materials means
(a) transferring by one business to another business; (b) transferring by one store to another store;
(c) transferring by one production department to another production department; (d) none of these.
2. Number of copies prepared for Materials Transfer Note is
(a) 3 to 4; (b) 4 to 5; (c) 5 to 6; (d) 2 to 3.
3. Transfer of materials does not come into
(a) Store Ledger; (b) Bin Card; (c) LIFO; **(d) all of these.**
4. Transfer of materials is recorded in the Store Ledger as
(a) receipts; (b) issues; (c) return; **(d) none of these.**
5. LIFO stands for
(a) Last inflow first outflow; (b) Latest in first out; (c) Late in final out; **(d) none of these.**
6. LIFO method is not included in
(a) AS 3; (b) AS 10; **(c) AS 2;** (d) AS 26.
7. LIFO is suitable when market price of materials is
(a) increasing; (b) decreasing; (c) remains same; (d) none of these.
8. Materials are issued under LIFO method in the _____ of FIFO.
(a) same sequence ; **(b) reverse sequence;** (c) mixed sequence; (d) none of these.
9. LIFO method is ideal for
(a) perishable materials; (b) heavy materials; (c) heavy & perishable materials; **(d) heavy & non-perishable materials.**
10. Closing stock is valued at _____ rate under LIFO.
(a) new ; (b) latest; **(c) old;** (d) none of these.
11. LIFO is not ideal when price of materials is showing
(a) increasing trend; **(b) decreasing trend;** (c) same trend; (d) none of these.
12. LIFO method is followed for preparing
(a) Bin Card; (b) Store Ledger; (c) Cost Sheet; **(d) all of these.**
13. Transfer of materials may affect
(a) LIFO; (b) FIFO; (c) Store Ledger; **(d) none of these.**
14. If issue price and purchase price are almost same then cost of production can be calculated at
(a) market price; (b) cost price; **(c) nearer to market price;** (d) none of these.
15. LIFO method is
(a) easy and simple; (b) difficult and complicated; (c) accurate and simple; (d) none of these.

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