



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian Minority Institution

Answer Key 6

Class: XII

Sub: Costing & Taxation

Chapter: Unit I: Cost of Materials II

F.M.: 15

Topic: Classification of Store Ledger A/c & FIFO

Date: 8/05/2020

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1. Methods of pricing of issue of raw materials can broadly be classified into _____ categories
(a) 2; (b) 3; **(c) 4**; (d) 5.
 2. FIFO is under
(a) cost price method; (b) average price method; (c) national price method; (d) none of these.
 3. Average price method is subdivided into
(a) 2; (b) 4; (c) 6; (d) 8.
 4. Weighted average method is sub-divided into
(a) 2; **(b) 3**; (c) 4; (d) 5.
 5. Full form of FIFO is
(a) first inflow first outflow; (b) first inside first outside; **(c) first in first out**; (d) all of these.
 6. FIFO is ideal when market price of materials
(a) remains same; (b) increasing; **(c) decreasing**; (d) none of these.
 7. FIFO is ideal when goods are
(a) perishable in nature; (b) heavy in nature; (c) bulky in nature; (d) all of these.
 8. Under FIFO materials are issued at
(a) same price; **(b) different price**; (c) increasing price; (d) decreasing price.
 9. Under FIFO, closing stock is valued at
(a) early price of purchase; **(b) later price of purchase**; (c) market price; (d) none of these.
 10. FIFO method is accepted as per
(a) AS 1; **(b) AS 2**; (c) AS 3; (d) AS 4.
 11. Raw materials are issued as per
(a) sequence of purchase; (b) as per sequence of use; (c) as per sequence of price; (d) none of these.
 12. FIFO is
(a) complicated and complex; (b) illogical; **(c) simple and easy**; (d) none of these.
 13. Under FIFO
(a) same materials are available at different prices; (b) different materials are available at same prices; (c) same material is available at same price; (b) different materials are available at different prices.
 14. Cost of materials is the determinant of
(a) cost of production; (b) prime cost; (c) works cost; **(d) all of these**.
 15. Materials are purchased at
(a) same date and same rate; (b) different date and same rate; **(c) different date and different rate**; (d) none of these.

Compiled by
Partha Datta, Asst. Teacher.