



# St. Lawrence High School

*A Jesuit Christian Minority Institution*



**Answer Key 14**

**Class: XII**

**Sub: Costing & Taxation**

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

**Topic: Weighted Average Method**

**F.M.: 15**

**Date: 18/05/2020**

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1. Weighted Average method is approved by  
(a) AS 1; **(b) AS 2**; (c) AS 3; (d) AS 4.
  2. For calculating weighted average rate  
(a) only rates are taken; (b) only volume are taken; **(c) both rate and volume are taken**; (d) none of these.
  3. Weighted average method is ideal when  
**(a) regular fluctuation of price**; (b) price is decreasing; (c) price is increasing; (d) none of these.
  4. Weighted average method is also ideal when  
(a) purchases are made on the basis of EOQ; (b) volume of purchase is same; (c) rates are same; **(d) none of these**.
  5. Weighted average method is  
(a) illogical; **(b) logical**; (c) economical; (d) social.
  6. Physical verification of stock can be made under  
(a) simple average method; (b) weighted average method; **(c) FIFO method**; (d) none of these.
  7. Break up of rates are shown in the balance of  
(a) simple average method; (b) weighted average method; **(c) LIFO method**; (d) none of these.
  8. Closing stock is valued under weighted average method at  
(a) cost price; (b) market price; (c) average price; **(d) weighted average price**.
  9. Cost of production can be ascertained under weighted average method at  
(a) cost price; **(b) current market price**; (c) realisable price; (d) none of these.
  10. In weighted average method, there is possibility of  
(a) not making calculation error; **(b) making calculation error**; (c) compensating error; (d) none of these.
  11. Weighted average method is the sub-division of  
(a) Cost price; **(b) Average price**; (c) market price; (d) national price.
  12. Materials can be bought from the market at  
(a) weighted average price; (b) simple average price; (c) average price; **(d) purchase price**.
  13. \_\_\_\_\_ is prepared under weighted average price method.  
(a) Purchas ledger; (b) Return ledger; (c) General ledger; **(d) Store ledger**.
  14. For calculating weighted average rate, total volume or quantity of raw materials comes  
**(a) at the denominator**; (b) at the numerator; (c) does not come at all; (d) all of these.
  15. Under weighted average method, raw materials can be identified on the basis of their  
(a) rate; **(b) nature**; (c) both rate and nature; (d) none of these.

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