



# ST. LAWRENCE HIGH SCHOOL



*A Jesuit Christian Minority Institution*

**Answer Key 2**

**Class: XII**

**Sub: Costing & Taxation**

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

**F.M.: 15**

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

**Date: 4/05/2020**

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1. Pricing of materials mean -----  
(a) achieving certain objectives; (b) ascertainment of financial performance; (c) determination of the financial position; **(d) all of these.**
  2. Pricing of materials has -----  
(a) no limitations; **(b) limitations;** (c) only benefits; (d) none of these.
  3. Materials price changes-----  
(a) occasionally; (b) periodically; **(c) continuously;** (d) none of these.
  4. Actual amount of profit cannot be ascertained due to-----  
(a) continuous change in price; (b) various methods of pricing; **(c) both (a) and (b);** (d) none of these.
  5. Raw materials can be issued at  
(a) at fixed rate; **(b) at multiple rates;** (c) at lower rate; (d) at higher rate.
  6. Raw materials are purchased at  
(a) fixed rate; (b) increasing rate; (c) decreasing rate; **(d) different rate.**
  7. Raw materials are purchased from  
(a) same place; (b) distant place; **(c) different places;** (d) none of these.
  8. Accountability means  
(a) preparation of accounts; (b) presentation of accounts; **(c) responsibility;** (d) none of these.
  9. The AS 2 stands for -----  
**(a) valuation of inventories;** (b) depreciation; (c) cash flow statement; (d) intangible assets.
  10. Purchase Order is prepared by  
(a) Store Department; (b) Accounts Department; **(c) Purchase Department;** (d) Production Department.
  11. Purchase Order is prepared for  
**(a) placing the order;** (b) for sending requirements to store; (c) for pricing; (d) none of these.
  12. Goods are bought by  
(a) store department; (b) production department; (c) sales department; **(d) none of these.**
  13. Which department supplies materials to production department?  
(a) purchase department; **(b) store department;** (c) cash department; (d) accounts department.
  14. Purchased Order is issued by  
(a) Store Department; (b) Accounts Department; **(c) Purchase Department;** (d) Production Department.
  15. Who is the signatory of the Purchase Order?  
**(a) Purchase Manager;** (b) Store Manager; (c) Production Manager; (d) none of these.

Compiled by  
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