



ST. LAWRENCE HIGH SCHOOL

A Jesuit Christian Minority Institution



Answer Key 35

Sub: Costing & Taxation

Class: XI

Chapter: Unit 3: Costing: Cost of Materials - I

F.M. 15

Topic: Storing of Materials

Date: 7/11/2020

Choose the correct alternatives:

1 x 15 =15

1. Cost of materials is the
(a) insignificant part of total cost; **(b) major part of total cost**; (c) minor part of total cost; (d) none of these.
2. Stock of materials is
(a) fixed asset; (b) fictitious asset; **(c) current asset**; (d) none of these.
3. AS 2 indicates
(a) Cash Flow Statement; **(b) valuation of inventories**; (c) depreciation; (d) full disclosure of accounts.
4. Materials can be classified into
(a) two categories; (b) three categories; (c) four categories; (d) none of these.
5. The materials which can be easily identified in the product is known as
(a) indirect materials; **(b) direct materials**; (c) latent materials; (d) none of these.
6. Gums, additive, nails, buttons etc. are the
(a) indirect materials; (b) direct materials; (c) latent materials; (d) none of these.
7. Wood or timber in furniture is
(a) indirect materials; **(b) direct materials**; (c) latent materials; (d) none of these.
8. Direct materials cost comes under
(a) overheads; **(b) prime cost**; (c) factory overhead; (d) none of these.
9. Indirect materials cost comes under
(a) overheads; (b) prime cost; (c) factory overhead; (d) none of these.
10. The store-keeping function includes
(a) buying; **(b) receiving**; (c) pricing; (d) none of these.
11. The person who is in charge of store keeping is known as
(a) purchase manager; (b) security officer; **(c) store-keeper**; (d) all of them.
12. Cost of storing should be
(a) minimum; (b) maximum; **(c) optimum**; (d) none of these.
13. The term 'perpetual' signifies
(a) regular; (b) perfect; **(c) continuous**; (d) none of these.
14. Goods must be stored in the store in
(a) perfect condition; (b) good condition; **(c) intact condition**; (d) poor condition.
15. The department which buys materials is known as
(a) Purchase department; (b) Store department; (c) Sales department; (d) none of these.

Compiled by
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