

Class: 10

Subject: Accounting

Chapter Test

Chapter: 11

(Cost Price, Cost Of Production and Selling Price)

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Formula:

**Name of the Manufacturing firm
Cost of goods Manufactured & Sold
For the period of.....**

Element of cost	Tk.	Tk.
Opening stock of raw material	***	
(+) Raw material purchase	***	
(+) Carriage inward	***	
(-) Purchase return	(***)	
(-) Closing stock of raw material	(***)	
Cost of raw material used		***
(+) Direct expenses	***	
(+) Direct labor	***	
Prime cost		***
(+) Factory overhead	***	
Factory cost/ Production cost		***
(+) Opening work in process	***	
(-) Closing work in process	(***)	
Cost of goods manufactured		***
(+) Opening stock of finished goods	***	
(-) Closing stock of finished goods	(***)	
Cost of goods sold		***

**Name of the Manufacturing firm
Comprehensive income statement
For the period of.....**

	Tk.	Tk.
Net sales	***	
(-) Cost of goods sold	(***)	
Gross profit/ loss		***
(-) Operating expenses:		
Administrative overhead	***	
Selling overhead	***	

Net profit/ loss		***

MCOs for Self-Assessment:

1. Chargeable expense of Padma Bridge –
 - i) Rent of mixing cement and stones for construction of Padma Bridge
 - ii) Architectural design of the bridge
 - iii) Wages of labour for construction of bridgeWhich one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
2. By following which rule value of the products of a company is determined?
 - a) Sales concept
 - b) Production concept
 - c) Profit concept
 - d) Liquid concept
3. For the determination of production cost what is possible is –
 - i) Fixing up the price of products according to demand
 - ii) Justification of profitability of project
 - iii) Creating demand of productWhich one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
4. If direct expense is added to purchase, what we get?
 - a) Cost price
 - b) Production cost
 - c) Total cost
 - d) Sales price
5. Factory overhead is =?
 - a) Direct labor + Conversion cost
 - b) Manufacturing cost – Prime cost
 - c) Prime cost + Manufacturing cost
 - d) Total cost – Conversion cost
6. Prime cost –
 - i) Salary
 - ii) Wages
 - iii) Transport cost of goodsWhich one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii

[Considering the following information, answer the question no. 7 & 8.]

Mr. Anis is a businessman of potato. He purchases 4,000 kg, each 40 kg at Tk. 500 each and 6,000 kg each 40 kg at Tk. 400 each. Wages Tk. 5 at each 40 kg and transportation cost Tk. 2,000.

7. What is the purchase price of potato of each 40 kg of Mr. Anis?
 - a) Tk. 440
 - b) Tk. 448
 - c) Tk. 450
 - d) Tk. 453
8. What is the total cost of each 40 kg of potato of Mr. Anis?
 - a) Tk. 448
 - b) Tk. 505
 - c) Tk. 453
 - d) Tk. 513
9. Chargeable expense include –
 - i) Factory overhead
 - ii) Selling and distribution expenses
 - iii) Office and administrative expensesWhich one is correct?
 - a) i & ii
 - b) ii & iii
 - c) i & iii
 - d) i, ii & iii
10. What will be found if we add administrative and selling overhead to the production cost?
 - a) Total cost
 - b) Prime cost
 - c) Factory cost
 - d) Cost of goods sold

[Considering the following information, answer the question no. 11 & 12.]

Mr. Mahmud purchased wood for making chair for Tk. 20,000. He also paid Tk. 5,000 for wages and Tk. 5,000 for wages and Tk. 3,000 for factory overhead.

11. What is the amount of prime cost of Mr. Mahmud?
 - a) Tk. 20,000
 - b) Tk. 8,000
 - c) Tk. 5,000
 - d) Tk. 25,000
12. What is the amount of conversion cost of Mr. Mahmud?
 - a) Tk. 8,000
 - b) Tk. 3,000
 - c) Tk. 5,000
 - d) Tk. 20,000
13. Which one is a sale overhead?
 - a) Computer repairing
 - b) Factory rent
 - c) Office electricity
 - d) Sample distribution of goods

14. Conversion cost is =?
- Prime Cost + Factory Overhead
 - Direct Labour – Factory Cost
 - Direct Labour – Factory Overhead
 - Direct Labour + Factory Overhead
15. Purchasing tender is case of contractual job is –
- Factory overhead
 - Indirect expenses
 - Chargeable expense
 - Administrative expenses
16. Administrative expense are –
- Engineering design cost
 - Office rent
 - Telephone bill
- Which one is correct?
- i & ii
 - ii & iii
 - i & iii
 - i, ii & iii
17. Prime Cost + Total Overhead =?
- Factory Cost
 - Production Cost
 - Total Cost
 - Selling Price
18. Why are the total cost and per unit cost in a business determined?
- to control production cost
 - to calculate profit and loss
 - to determine correct selling price
 - to determine value of stock
19. Which one is factory overhead?
- Wages
 - Depreciation on machinery
 - Entertainment
 - Advertisement
20. What is the percentage of profit on selling if 25% profit is on total cost?
- 15%
 - 25%
 - 20%
 - 33.33%

[Considering the following information, answer the question no. 22 & 23.]

Prime Cost Tk. 50,000; Factory Overhead Tk. 10,000; Administrative Overhead Tk. 5,000; Selling Overhead Tk. 3,000 and profit 20% on Total Cost.

21. What is the amount of total cost?
- Tk. 12,000
 - Tk. 58,000
 - Tk. 18,000
 - Tk. 68,000
22. What is the amount of profit?
- Tk. 12,600
 - Tk. 15,600
 - Tk. 13,600
 - Tk. 18,600
23. Where indirect material is shown in statement of cost sheet?
- Prime cost
 - Factory overhead
 - Stock of finished goods
 - Direct wages
24. Which one is an example if direct expense?
- Purchase of raw materials
 - Salary of office employee
 - Salary of factory manager
 - Commission of selling agent.
25. Indirect raw material is –
- Button for making shirt
 - Screw for making furniture
 - Lather for making shoe
- Which one is correct?
- i & ii
 - ii & iii
 - i & iii
 - i, ii & iii
26. Cost Sheet can be reared for –
- Monthly
 - Quarterly
 - Yearly
- Which one is correct?
- i & ii
 - ii & iii
 - i & iii
 - i, ii & iii

[Considering the following information, answer the question no. 28 & 29.]

Prime Cost Tk. 1,00,000; Factory Overhead Tk. 20,000; Administrative Overhead Tk. 10,000; Selling Overhead Tk. 20,000 and profit 20% on Total Cost.

27. What is the amount of operating expenses?
- | | |
|---------------|---------------|
| a) Tk. 12,000 | c) Tk. 18,000 |
| b) Tk. 58,000 | d) Tk. 68,000 |
28. What is the percentage of prime cost to factory overhead?
- | | |
|------------|------------|
| a) Tk. 20% | c) Tk. 25% |
| b) Tk. 15% | d) Tk. 30% |
29. Which one of the following direct expense?
- | | |
|-----------------|---------------------|
| a) Factory rent | c) Depreciation |
| b) Sundry loss | d) Interest on loan |
30. Office overhead –
- i) Telegram and post
 - ii) Paper purchase
 - iii) Salesman salary
- Which one is correct?
- | | |
|-------------|----------------|
| a) i & ii | c) i & iii |
| b) ii & iii | d) i, ii & iii |