## **Registration No**

Q1.	Multiple Choice Questio	ons						(Marks	10)		
1.	The inventories are recorded at the latest price but the production cost is changed old cost price?										
	(a) FIFO	(b) Average			(c) Both A	& B			( <b>d</b> )	) None	
2.	Ascertain purchases from	the following figure	es								
	Cost of Goods Sold	Rs 80,700									
	Opening Stock	5,800									
	Closing Stock	6,000									
	(a) Rs. 80,540	<b>(b)</b> Rs. 80,539	)		(c) Rs. 80,	912		( <b>d</b> ) Rs.	80,9	000	
3.	. In a rising market which	n is the best option f	or incom	e statement	preparation	in perp	oetual invo	entory s	ystei	m?	
	(a) LIFO	(b) FIFO		(c) W.	Avg			( <b>d</b> ) (a)	or (	(c)	
4.	What is the effect on net	t income if a compa	any fails	to record a	purchase in	n transi	it (FOB s	hipping	poi	nt) and al	lso fails to
	include the purchase in physical inventory?								-		
	(a) Income is overstated (b) Income is unc										
	(c) Income is correct (d) Not enough information is provided to determine the answer										
5.	Which inventory costing method usually is most applicable when inventory consists of a small quantity of goods which are										
	relatively large in size or cost and are individually identifiable?										
	(a) Simple average				(b) Specific cost identification						
	(c) Moving average (d) Weighted average										
6.	Amount of profit on rever	nue after deducting t	he direct	cost of mal	cing the goo	ds or s	upplying	he serv	ices	is called	
	(a) Gross profit	(b) Cost of sales		( <b>c</b> ) Exp				( <b>d</b> ) Net			
<i>7</i> .	Which of the following w		rad a con			de Sale		` ′			
/•	(a) Sales force Salaries	ould not be conside	ieu a con	iponent or	(b) Transportation for purchase						
	(c) Import duties or raw n	naterial			(d) Factory electricity expense						
_	•				(d) I detoi	y ciecu	icity expe	nse			
8.	Selling expenses are show	vn in?			a. = a						
	(a) Cost of Goods sold			<ul><li>(b) Profit and loss account</li><li>(d) Profit and loss appropriation account</li></ul>							
	(c) Manufacturing account	unt			( <b>d</b> ) Profit	and los	s appropr	iation ac	ccou	nt	
9.	Cost of Goods Manufactu	ired can be calculate	d as follo	ow?							
	(a) Total factory Co	ost Add Opening	Work	in process	inventory	Less	Closing	Work	in	process	inventory
	(b) Total factory Co	ost Less Opening	Work	in process	inventory	Add	Closing	Work	in	process	inventory
	(c) Total factory Co	ost Less Opening	Work	in process	inventory	Less	Closing	Work	in	process	inventory
	(d) Total factory Cost A	Add Opening Work i	n process	inventory	Add Closing	g Work	in proces	s invent	ory		
10.	Variable cost per unit?										
	(a) Varies when output	varies			(b) Remai	ns cons	stant				
	•					(d) Decrease when output decreases					

Sales R		vt. Ltd. at the end of December 31 <sup>st</sup> Sales Return		(Marks 10) 25 200
Purchases (Net)	2,400,000	Transportation inward		32,000
Direct Labor	3,204,000	FOH (Total)		1,885,600
Sales Salaries	200,000	Advertising Expense		155,000
Delivery Expense	65,000	Tid volumes Emperior		100,000
During the year 25,000 units wer				
Inventories	•	aber, 2008	January, 2008	
		67,400	• •	
		36,800		
Materials		96,000	176,000	
Requirements:				
1) Total Factory Cost	<b>(2)</b> Cos	t of Goods Manufactured	(3) Cost of Goo	ds Sold
4) Gross Profit and Net Profit	<b>(5)</b> Per	Unit Cost of Goods Manufactured		
		Hina Khan Pvt. Ltd		
	Ca	ost of Goods Sold Statement		
		the Ended December, 2008		
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Gross Profit =				

Per unit Cost of goods manufactured =

**Q3.** Following are data extracted from Fatima Bibi Ltd. Inventory valuation is done at the end year 2010 (Marks 10)

<b>Date</b>		No. of Units	Cost/Unit	<b>Total Cost</b>
Jan. 1	Balance	800	Rs. 7.00	Rs. 5,600
Mar. 8	Purchases	2,200	7.50	16,500
June 23	Purchases	4,000	7.75	31,000
Dec.15	Purchases	<u>3,000</u>	8.00	24,000
Total		10,000		Rs. 77,100

If the year-end 2010, inventory reveals 1,000 units on hand, what is the store's cost of merchandise sold and what is the inventory value on the balance sheet by (LIFO, FIFO and W. Avg.) as well as Comparative Cost Sheet by assuming that Rs. 13 is per unit selling price?

Solution: FIFO
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Cost of Sales							
Units	@	Amount					

Cost Ending Inventory

Units	@	Amount

Solution: LIFO

Cost of Sales

Units	@	Amount

	Cost Ending Inventory								
	Units		@			Amount			
Solution: W. A	lvg		Cost of S	ales					
-	Units		@			Amount			
			Cost Ending 1	nventory					
	Units		@	nveniory		Amount			
V. Avg Rate =									
			Comparative	Cost Sheet	(in amount)	)			
Methods	Balance	Purchases	(Closing Stock)	CGS	Sales	(CGS)	Gross Profit		
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Methods	Balance	Purchases	(Closing Stock)	CGS	Sales	(CGS)	Gross Profit
FIFO							
LIFO							
Average							