1. Sugar Industry applies the ......method of costing.
   a) Joint Products and By Products
   b) Job and Batch
   c) Marginal
   d) Operating

2. Two or more products may be produced simultaneously from a common set of inputs through a single manufacturing process known as -
   a) Main process
   b) Joint Process
   c) Standard Process
   d) None of the above

3. In the Oil industry, gasoline, fuel, oil, lubricant, coal tar, asphalt, paraffin and kerosene are all produced from crude petroleum are known as –
   a) Main Products
   b) By Products
   c) Joint Products
   d) All of the above

4. The term co-product is also used in respect of –
   a) Main product
   b) Joint Product
   c) By-Product
   d) None of the above

5. Joint products are the result of some common items of cost, these costs are known as -
   a) Prime cost
   b) Preventive cost
   c) Direct costs
   d) Joint costs

6. The costs which incurred after the split off point are known as –
   a) Prime costs
   b) Preventive cost
   c) Separable costs
   d) Joint Costs

7. When joint products are capable of being measured in physical quantities, the method used for allocation of joint costs are known as –
   a) Physical Quantities Method
   b) Survey Method
   c) Market Value method
   d) Average Unit Cost Method

8. ______ does not take the quality of the product into consideration.
   a) Standard Cost Method
   b) Normal Profit Method
   c) Market Value Method
   d) Physical Quantity Method

9. Share of joint cost of each product under Average Unit cost Method is calculated by
   a) Number of unit produced + Average cost per unit
   b) Number of unit produced – Average cost per unit
c) Number of unit produced × Average cost per unit  
d) Number of unit produced ÷ Average cost per unit

10. Each Joint Product has the same cost per unit till the split off point under –  
   a) Survey Method  
   b) Average unit cost method  
   c) Market value method  
   d) Normal Profit Method

11. A technical survey of production process and its associated costs is conducted under –  
   a) Survey Method  
   b) Average Unit Cost Method  
   c) Market Value Method  
   d) Normal Profit Method

12. _____ Method is also known as Points Value or Technical Evaluation or Weighted Output Method.  
   a) Average Unit cost  
   b) Normal Profit  
   c) Survey  
   a) Direct Allocation

13. _____ method is formulated on the lines of the concept of marginal or variable costing, where the costs are first allocated into fixed and variable costs.  
   a) Survey  
   b) Contribution margin  
   c) Average Unit Cost  
   d) Physical Quantities

14. _____ method is used when the joint products are marketable at the split off point out their further processing costs are disproportionate.  
   a) At the point of separation Method  
   b) After future processing  
   c) Net realizable value  
   d) Normal Profit

15. _____ is used when the final sales value of the joint products after further processing is used as the basis for apportionment.  
   a) At the point of Separation Method  
   b) Standard Cost Method  
   c) Net Realizable Value  
   d) Further Processing

16. The formula for calculating Net Realizable Value is –  
   a) Net Realizable Value = Sales Value after further processing – further processing costs  
   b) Net Realizable Value = Sales Value after further processing + further processing costs  
   c) Net Realizable Value = Sales Value after further processing × further processing costs  
   d) Net Realizable Value = Sales Value after further processing ÷ further processing costs

17. _____ is also known as constant gross margin percentage method.  
   a) Standard Cost Method  
   b) Normal Profit Method  
   c) Survey Method  
   d) Direct Allocation Method

18. Under ______ the joint costs are apportioned on the basis of the standard cost set for the respective joint products.  
   a) Normal Profit method  
   b) Survey Method
19. _____ is used when the joint costs are specifically identifiable or capable of being estimated to the allocable to each joint product.
   a) Market Value Method 
   b) Normal Profit method  
   c) Survey Method 
   d) Direct Allocation Method

20. _____ is a secondary or subsidiary product incidentally arising during the common manufacturing process.
   a) Main Product 
   b) Joint Product 
   c) By Product 
   d) All of the above

21. Costs over by products can be apportioned by _____ methods.
   a) Two  
   b) Three  
   c) Four  
   d) Five

22. _____ is adopted when the value of the by-products is very small as compared to the sales value of the main product and is sold off without further processing.
   a) Miscellaneous Income Method 
   b) Total Sales less Total Cost Method  
   c) Total Cost less Sales Value of by-product Method 
   d) Reserve Cost Method

23. Sales value of the by-product is created to the Costing Profit and Loss account as in Miscellaneous Income Method.
   a) Gross Income 
   b) Net Income 
   c) Miscellaneous Income  
   d) None of the above

24. Sales value of by-product is credited to the main product account instead of being transferred to the costing Profit and Loss Account under –
   a) Miscellaneous Income Method 
   b) Total Sales less Total Cost Method 
   c) Total Cost less Sales Value of by-product method 
   d) Reserve Cost Method

25. “Any change in the market value of the by-product will cause a change in the value of the main product”, is the major disadvantage of –
   a) Miscellaneous Income Method  
   b) Total Sales less Total Cost Method 
   c) Total Cost less Sales Value of by-product method 
   d) Reserve Cost Method

26. Some profit is recognized on the sale of the by-product, under –
   a) Miscellaneous Income Method 
   b) Total Sales Less Total Cost method 
   c) Total Cost less Sales Value of by-product method 
   d) Reserve Cost Method

27. _____ Method is adopted when the sales value of the by-product in significant.
   a) Joint Cost 
   b) Opportunity  
   c) Standing Cost 
   d) Market Value
28. _____ Method is used when the by-product is used within the factory.
   a) Joint Cost  b) Opportunity  
   c) Standing Cost  d) Market Value

29. _____ is determined on the basis of technical calculation or by calculating the average of the past 4 to 5 years.
   a) Prime Cost  b) Primitive Cost  
   c) Marginal Cost  d) Standard Cost

30. Incremental revenue is calculated by –
   a) Incremental Value = Sales value after further processing + Sales value at the split off point  
   b) Incremental Value = Sales value after further processing - Sales value at the split off point  
   c) Incremental Value = Sales value after further processing × Sales value at the split off point  
   d) Incremental Value = Sales value after further processing ÷ Sales value at the split off point

31. The formula for calculating increment cost is –
   a) Incremental Cost = Cost of further processing + Selling and Distribution expenses if any  
   b) Incremental Cost = Cost of further processing - Selling and Distribution expenses if any  
   c) Incremental Cost = Cost of further processing × Selling and Distribution expenses if any  
   d) Incremental Cost = Cost of further processing ÷ Selling and Distribution expenses if any

32. It is worthwhile to process the product further if –
   a) Incremental revenue > Incremental costs  
   b) Incremental revenue < Incremental costs  
   c) Incremental revenue = Incremental costs  
   d) None of the above

33. _____ is the product where two or more products separated in processing each having a sufficiently high sale value to merit recognition as main products.
   a) Joint Product  b) Co-Product  
   c) Main Product  d) By-Product

34. The point at which joint products become separately identifiable is called –
   a) Post separation point  
   b) Further processing stage  
   c) Split-off point  
   d) Point of separation

35. In accounting of joint products under market value method, _____ will be apportioned to the products in the ratio of sales price respective individual products.
   a) Joint Costs  b) By Products  
   c) Post Separation costs  
   d) Standard Costs

36. A furniture manufacturing company is an example of –
   a) Joint Products  b) Common Costs  
   c) Pre-separation costs  
   d) Joint costs

37. _____ are the costs which are common to the processing of joint products or by-products up to the point of separation.
   a) Joint Process costs  
   b) Common costs  
   c) Pre-separation costs  
   d) Joint costs

38. _____ are assigned to two or more products produced in a single department.
39. Production of molasses used for industrial alcohol is an example of ______.
   a) By-products  b) Co-products  c) Scrap  d) Waste

40. Ash produced in thermal power plant is an example of ______.
   a) By-products  b) Co-products  c) Scrap  d) Waste

41. A product which arises incidentally in the production of the main products and which has a relatively small sales value as compared with the main products is known as ______.
   a) Waste  b) Scrap  c) By-products  d) Defectives

42. The joint products will arise from the common process and common input, and can be identified only at split off point stage and linear relation exists between them as to the quantities of production.
   a) True  b) False  c) Partly True  d) Partly False

43. The material that has no value or even negative value if it has to be disposed of at some cost is ______.
   a) Scrap  b) Spoilage  c) Defectives  d) Waste

44. Joint costs are useful for –
   a) Setting the selling price of a product
   b) Determining whether to continue producing an item
   c) Both (a) and (b)
   d) Determining inventory cost for accounting purposes

45. ______ is a product which is recovered incidentally from the materials used in the manufacturing or recognized main products.
   a) Joint Product  b) By Product  c) Main Product  d) None of the above

46. In a diary industry, milk is the main product, and butter and cheese are the by-products.
   a) True  b) False  c) Partly True  d) Partly False

47. ______ is the incidental residue from the materials used in manufacturing operations which is recoverable and measurable without further processing.
   a) Waste  b) Scrap  c) Spoilage  d) Defective

48. The basic reason for accounting of joint products and by-products is –
   a) To share out joint costs
   b) To judge the profitability of each product
   c) Both (a) and (b)
   d) None of the above

49. ______ is the point at which the joint products are identifiable separately
   a) Separation Point  b) Breakeven point  c) Equilibrium point  d) None of the above

50. The production cost incurred prior to the split off point are called –
   a) Joint Products  b) Joint Costs  c) By products  d) Co-products

51. ______ are those when two or more products arise simultaneously in the course of processing and each product has a significant sales value in relation to each other.
   a) Joint Products  b) Joint Cost  c) By products  d) Co-products
52. When a particular type of product (Joint Product) is manufactured in different varieties and grades, they are called –
   a) Joint products  b) Joint costs  c) By products  d) Co-products

53. The by-products arise incidentally in the production of the _____ products and has a relatively small value in comparison to the _____ products.
   a) Main, Main  b) Joint, Main  c) Main, Joint  d) Co, Joint

54. Furnace slag is a _____ in iron and steel industry.
   a) Joint Products  b) Joint Cost  c) By Products  d) Co-products

55. Under market value method, joint costs will be apportioned to the products in the ratio of market value of individual joint products using –
   a) Market value at separation point  b) Market value at finished stage  c) Net realizable value  d) All of the above

56. Costs incurred after split off stage are called -
   a) Further processing costs  b) Post separation costs  c) (a) or (b)  d) None of the above

57. Apportionment of joint cost to joint and by-products affects the overall profit or loss.
   a) True  b) False  c) Partly True  d) Partly False

58. The principal product is known as -
   a) Main Product  b) By-Product  c) Joint Product  d) All of the above

59. An incidental products of lesser value are usually called:
   a) Joint Product  b) By Product  c) Main Product  d) None of the above

60. Products of nearly equal value are called:
   a) By-product  b) Joint Product  c) Main Product  d) All of the above

ANSWERS:

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