

II – B. Com – Cost Accounting – 2 marks

1. Costing: It refers to the techniques and processes of ascertaining costs and studies the principles and rules concerning the determination of cost of products and services.
2. Cost Centre: A location, person or item of equipment for which costs may be ascertained and used for the purposes of cost control.
3. Unit costing: It is usually employed by organizations producing a single product on a large scale by a continuous process – it is identical and can be expressed in convenient measures like kgs., tons, units, etc.
4. Cost sheet: Cost sheet is a statement showing the total cost under proper classifications in a logical order.
5. Quotation: Quote the price at which they can supply their output. The price at which the items of output are offered for sale is known as quotation
6. Profit Centre: It is responsible for revenues and costs. – it is created for evaluating performance of a division. It has autonomy for decisions concerned with the centre
7. Perpetual Inventory System: It is a method of recording stores balances after every receipt and issue of facilitate regular checking and to obviate closing down for stock taking.
8. Stores ledger card: It maintained in the costing department. It has similar details as contained in the Bin card regarding receipts, issues and balance of materials quantity. It contains values also.
9. Bin Card: The card is helpful for control of stock – details regarding minimum, maximum and reorder level – maintained by store keeper – physical stock and balance shown.
10. Labour Turnover: Percentage change in the labour force during a specific period. High labour turnover indicated that labour is not stabilized and there are frequent changes by way of workers leaving the organization – low labour turnover indicates inefficient workers are being retained in the organization
11. Direct Labour cost: Cost of labour expended in altering the construction, composition or condition of the product – it is easy to identified and allocated to cost units. – fluctuates in proportion to output.
12. Overhead: Cost of indirect materials, indirect labour and such other expenses including services as cannot conveniently be charged to a specific unit.
13. Absorption overhead: The process of charging the overhead cost of a cost centre to the cost units is called overhead absorption.

14. Abnormal gain: When process loss is less than the predetermined normal loss, the additional output resulting there from is called abnormal gain.

15. Operating costing: It is a method of costing designed to ascertain and control the costs of services. – operating costing actually is unit costing as applied to the cost of services.

16. Advantages of Simple Average Price method: Simple and easy to calculate the issue price, reduces the effect of fluctuation of prices by averaging the price.

17. Idle time: The attendance time should agree with job time. Generally it does not happen on account of many reasons. Example – waiting for materials, tools, time lost due to break down of machinery etc.

18. Indirect Labour Cost: It is the amount of wages paid to workmen who are not directly involved in altering the composition of the product

19. Variable Overhead: A cost which in the aggregate, tends to change in direct proportion to change in the volume of output or turnover.

20. Over absorption: When expenses absorbed are more than actual expenses incurred it is known as over absorption $\text{Over absorption} = \text{Actual expenses} < \text{Expenses absorbed}$

21. Job costing: Job costing is used for comparatively smaller works of shorter duration. Printing presses, machine tools manufactures, furniture makers, repair shops, foundries etc – ascertain the cost and profit or loss of each job separately.

22. Work uncertified: This is work done but not yet certified by the contractee's representative. It must be valued at cost. It is shown on the credit side of the contract account and also on the assets side of the balance sheet along with work certified

23. Centralized purchasing: Purchasing of requirements of the entire organization by one particular department. It reduces the cost of administration by avoiding duplication, maintains uniformity of purchasing.

24. Labour Turnover: Change of labour force during a specific period – high labour turnover indicates that labour is not stabilized and there are frequent changes by way of workers leaving the organizations – low labour turnover indicates inefficient workers are being retained in the organization.

25. Overhead: Cost of indirect materials, indirect labour and such other expenses including services as cannot conveniently be charged to a specific unit.

26. Process Costing: Process costing is that form of operation costing, where standardized goods are produced.

27. Abnormal effective: When process loss is less than the predetermined normal loss, the additional output resulting there from is called abnormal gain.

28. Scrap: Scrap is discarded material having some recovery value which is usually disposed off without further treatment.

29. Separation method = $\text{Number of separation} / \text{Average number of employees} \times 100$

30. Semi variable overhead: Features of both variable and fixed costs – remain fixed up to a certain volume of output they will change once the volume of output changes.

31. Power: KWH or H.P of machines; Repairs: Asset value

32. Normal Process loss: Which is unavoidable and uncontrollable. It is to be expected in normal conditions of the process. Management estimates such loss in advance on the basis of past experience. – absorbed by good units produced.

II – B. COM - BUSINESS STATISTICS

2 MARKS QUESTIONS

1. Raw data: When the investigator has collected the data and he has not arranged the same in a systematic manner it is called raw data.
2. Individual series: Under this method the values of all the units are shown separately.
3. Discrete series: In a discrete series, data are presented in a way that the exact measurement of the units are clearly indicated. There is definite difference between the variables of difference groups of items. Each class is distinct and separate from the other classes
4. Median: Middle value of the group of data arranged in an order either on an ascending order or descending order. 5. Mode: The mode of a distribution is the value at the point around which the items tend to be most heavily concentrated. It may be regarded as the most typical of a series of values
6. Harmonic Mean: Harmonic mean of a given series is the reciprocal of the arithmetic average of the reciprocals of the values of its various items.
7. Parts of Table: Table number, Title, Head notes, Body, Footnotes and Source.
8. Objects of Classification: Similarities, logical and understanding, mental pictures of objects of perfection, comparative study possible, remove irrelevant details from the data, clear the underlying unity amongst different items
9. Average: A n average value is a single value within the range of the data that is used to represent all the values in the series. Since an average is somewhere within the range of the data.
10. Tabulation: It involves the orderly and systematic presentation of numerical data in a form designed to elucidate the problem under consideration.
11. Histograms: It consists of a number of rectangles, those are vertically adjacent. Class intervals are taken on X-axis and frequencies on Y axis rectangles are formed of the height proportionate to their frequencies.
12. Dispersion: The degree to which numerical data tend to spread about an average value is called the variation or dispersion of the data.

13. Standard Deviation: It is superior to other measures because of its merits showing the variability which is important for statistical data – it enjoys many qualities of a good measure of dispersion.

14. Objectives of the Measure of Dispersion To find out the reliability of an average To control the variation of data from the central value To compare two or more set of data regarding their variability

15. Skewness: It means asymmetrical distribution.

16. Formula for coefficient of skewness: $3 (\text{Mean} - \text{Median}) / \text{S.D}$
17. Co-efficient of Skewness ----- Standard Deviation

18. Mean Deviation: Average deviation is the average amount of scatter of the items in a distribution from either the mean or the median, ignoring the signs of the deviation. The average that is taken of the scatter is an arithmetic mean, which account for the fact that this measure is often called the mean deviation.

19. Merits of Rank Correlation: Shape the distribution, parameter of the population – it cannot be applied to the variable frequency distribution.

20. Regression: It is a statistical technique through which the estimation of unknown variable from the known variable.

21. Correlation: If the relationship is of quantitative nature, the appropriate statistical tool to discover and measure that relation and express it in the form of a brief formula, is correlation

22. Simple regression: Only two variable are studied to find the regression relationships, it is known as simple regression analysis – one is treated as an independent variable while the other as dependent one

23. Index number: It is a relative number which expresses the relationship between two figures over a period of time. It is ratio of changes between variables over a period of time.

24. Price Index: It is an index number which compares the prices for a group of commodities at a certain time or at a place with prices of a base period.

25. Time Series: A time series consists of data arranged chronologically.
26. Seasonal variations: A recurrent pattern of change within the period that results from the operation of forces connected with climate at different times of the period. The seasonal variations are usually measured in an interval within the calendar year.
27. Uses of index numbers: measure the relative change, better comparison, good guides, economic barometres
28. Types of Index number: Price Index, Quantity Index and Value Index
29. Components of time series: Secular trend, seasonal variations, cyclical variations and irregular variations.
30. Uses of trend: Facilitate comparison, to predict future behavior, forecasting the trade cycle

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