

1. Distinguish between Controllable cost and Uncontrollable cost? Give examples.
2. Explain normal and abnormal losses. How do you treat this in cost accounts?
3. What do you mean by absorption of overheads? Discuss the different methods for the absorption of factory overheads?
4. Why there is a need to reconcile the profit disclosed in Financial and Cost account books? Discuss in details the causes of such differences.
5. What do you understand by 'Cost plus contract' and 'Escalation clause' in contract costing?
6. What are cost control accounts? Distinguish between integral and nonintegral system of cost control accounts? Which system would you recommend for a big manufacturing organization.