EduTap

SEBI GRADE A COSTING

Previous Year Papers

Phase 2

2020-2025

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Preface

Dear Students,

We are pleased to present this recollected question paper with answer keys for the **SEBI Grade A Costing** subject, covering the past six years from 2020 to 2025(Exam held 4 times). This document has been meticulously prepared to serve as a valuable resource for candidates preparing for the SEBI Grade A Phase 2 Exam.

By practising questions that have been actually asked in the examination, aspirants can gain clarity on the **exam pattern, difficulty level, and types of questions** likely to appear in the upcoming exam.

We wish you all the best in your exam preparation journey and hope that this document serves as a valuable asset in strengthening your performance and confidence.

Disclaimer: While every effort has been made to ensure the accuracy and relevance of the questions and answer keys, minor variations in question wording or options may exist due to the memory-based nature of this compilation. Candidates are advised to use this document as a reference tool to enhance their comprehensive understanding of the syllabus and overall exam readiness for the SEBI Grade A examination.

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SEBI Grade A 2020 Phase 2 Costing Recollected Questions

Q.1) Which of the following does not appear in Cash Budget?

Options:

A. Collection from Debtors
B. Depreciation
C. Cash Sales
D. Cash Disbursement
E. None of the above

Q.2) 8000 units were introduced in the process. 5% is the normal loss. 6600 units were transferred to next process. WIP is 1000 units which is 60% complete. Find the Equivalent Units.

Options:

A. 6200 units
B. 7600 units
C. 7200 units
D. 6800 units
E. 6300 units

Q.3) Sales unit is 162500. Total Actual Cost is Rs 3 lakhs. Actual Fixed Cost is Rs 87000 (in line with budgeted cost). Total Actual Cost is Rs 18000 more than the budgeted cost. Find the Budgeted Variable Cost per unit.

Options:

A. 2.27
B. 1.74
C. 2.43
D. 1.20
E. 1.42

Q.4) The Selling price per unit is Rs 40. The P/V Ratio is 40%. The amount of fixed costs = Rs 60,000. Find the BEP in units.

Options:

A. 3750 units
B. 3250 units
C. 3500 units
D. 3675 units
E. 3720 units

Q.5) MRP II is a type of __________

Options:

A. Production Design Technique
B. Selling and Distribution Development Technique
C. Price Reduction Technique
D. Efficient Marketing Technique
E. None of the above

Q.6) Which of the following is a technique of Inventory Management?

Options:

A. ABC Analysis
B. Standard Costing
C. Marginal Costing
D. Process Costing
E. None of the above

Q.7) Over and Under Absorption of Overheads due to Normal Factors are ___________

Options:

A. Charged to Financial Profit and Loss Account
B. Charged to Costing Profit and Loss Account
C. Treated using Supplementary Rate
D. They are not rectified
E. None of the above

Q.8) Which of the following is aimed at eliminating waste and increasing efficiency?

Options:

A. Six Sigma
B. Kaizen
C. Business Process Re-engineering
D. Both B and C
E. None of the above

SEBI Grade A 2020 Phase 2 Costing Recollected Questions Answer key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	B	2	C	3	D
4	A	5	A	6	A
7	C	8	B		

SEBI Grade A 2022 Phase 2 Costing Recollected Questions

Q.1) Which of the following is a modern management accounting technique?

Options:

A. Human Resource Accounting
B. Statical Reports
C. Responsibility Accounting
D. Break Even Analysis
E. None of the above

Q.2) Which of the following does not classify semi variable costs into fixed and variable costs?

Options:

A. Graphical Method
B. Simultaneous Equations
C. High and Low Method
D. Least Square Method
E. Straight Piece Method

Q.3) Calculate the Prime Cost using the information given below:
Direct Material Cost– Rs 1,00,000
Direct Labour Cost– Rs 68,000
Fixed Overheads – Rs 1,50,000
Variable Overheads – Rs 24,000

Options:

A. Rs 1,58,000
B. Rs 1,68,000
C. Rs 1,78,000
D. Rs 1,88,000
E. Rs 1,98,000

Q.4) Calculate the Breakeven point (BEP) from the following information.
Sale - ₹30 per unit
Trade Discount – 10%
Direct Material - ₹12 per unit
Direct Labour - ₹6 per unit
Variable Expenses – 50% of Direct Labour
Fixed Cost - ₹60,000

Options:

A. 1000
B. 10,000
C. 1,00,000
D. 6000
E. None of the above

Q.5) Which of the following is incorrect with reference to Marginal Costing?

Options:

A. It is a method of Costing like Job Costing and Service Costing

B. Marginal Costing, Marginal cost is the change in the total cost when the quantity produced is incremented by one

C. It considers expenses incurred at each production stage, except for overhead pricing

D. Contribution margin is computed as the selling price per unit, minus the variable cost per unit.

E. None of the above

Q.6) Which of the following is not a feature of cellular manufacturing system?

A. Cellular manufacturing brings scattered processes together to form short, focused paths in concentrated physical space.

B. Cellular manufacturing facilitates both production and quality control.

C. Cellular manufacturing increases waste

D. Cellular manufacturing involves the use of multiple "cells" in an assembly line fashion.

E. None of the above

Q.7) A company produced 60,000 units in the accounting period. It sold 50,000 units with 10,000 still in inventory. It sold each unit for Rs. 100. Each unit costs Rs.25 in direct materials and Rs.20 in direct labor. Manufacturing overhead was Rs.10 plus Rs. 5 in variable administrative costs. Fixed manufacturing overhead was Rs.300,000. Fixed administrative costs were Rs.200,000. If the valuation of inventory is done by absorption costing method, find the value of the inventory.

Options:

A. Rs 6,00,000

B. Rs 5,00,000

C. Rs 7,00,000

D. Rs 4,50,000

E. None of the above

Q.8) Which of the following is a Notional Cost?

Options:

A. Absorption Costing

B. Historical Costing

C. Standard Costing

D. Lean Costing

E. None of the above

Q.9) Calculate the value of closing stock using Simple price moving average method.

1st December - purchased 100 units @ Rs. 20

2nd December - purchased 200 units @ Rs 22

5th December - Issued 250 units to department X

Options:

A. 1050

B. 1100

C. 900

D. 500

E. None of the above

SEBI Grade A 2022 Phase 2 Costing Recollected Questions Answer key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	C	2	E	3	B
4	B	5	A	6	C
7	A	8	C	9	A

SEBI Grade A 2024 Phase 2 Costing Recollected Questions

Q1. Calculate the Cost of Production with the following information:
- **Material Cost: Rs 600**
- **Labour Cost: Rs 150**
- **Set Up Cost: Rs 200**
- **Manufacturing Overheads: 20% of Direct Labour Cost**
- **Selling Overheads: 10% of Direct Labour Cost**

A. 860
B. 900
C. 950
D. 980
E. 995

Q2. Calculate the differential cost if the cost at 70% activity level is Rs 30,000 and at 85% activity level is Rs 39,000.
A. Rs 7,500
B. Rs 8,000
C. Rs 9,000
D. Rs 10,000
E. Rs 9,500

Q3. Canteen expense for factory workers is classified as:
A. Administrative Overheads
B. Selling and Distribution Overheads
C. Direct Costs
D. Production Overheads
E. Financial Overheads

Q4. If the input units are 300, with a normal loss of 30%, and units produced are 190, the abnormal gain or loss will be:
A. Abnormal gain of 20 units
B. Abnormal loss of 20 units
C. No abnormal gain or loss
D. Abnormal gain of 30 units
E. Abnormal loss of 30 units

Q5. If the Break-Even Point (BEP) is Rs 20 lakhs and Fixed Cost is Rs 5 lakhs, calculate the Profit/Volume (P/V) Ratio.
A. 15%
B. 20%
C. 25%
D. 30%
E. 35%

Q6. Given a P/V Ratio of 30%, Fixed Cost of Rs 90,000, and a Selling Price of Rs 100 per unit, find the Break-Even Point (BEP) in units.

A. 2500 units
B. 3000 units
C. 3500 units
D. 4000 units
E. 4500 units

Q7. If the desired profit is Rs 20,000, Fixed Costs are Rs 150,000, and the P/V Ratio is 50%, what will be the required Sales?

A. Rs 3,00,000
B. Rs 3,20,000
C. Rs 3,40,000
D. Rs 3,60,000
E. Rs 3,80,000

Q8. In a cycle manufacturing business, which method of costing is most appropriate?

A. Job Costing
B. Process Costing
C. Batch Costing
D. Multiple Costing
E. Contract Costing

Q9. Calculate the Labour Rate Variance using the following data:

- **Standard Rate = Rs 2.5**
- **Actual Rate = Rs 2.2**
- **Actual Hours = 500**
- **Standard Hours = 600**

A. 120 Favorable
B. 130 Favorable
C. 120 Adverse
D. 150 Favorable
E. 150 Adverse

Q10. Who is responsible if raw material purchases are more expensive than expected?

A. Production Manager
B. Finance Manager
C. Purchase Manager
D. Marketing Manager
E. Operations Manager

Q11. What term describes the implementation of a new or significantly improved production or delivery method, including significant changes in techniques, equipment, and/or software?

A. Product Innovation
B. Process Innovation
C. Business Model Innovation
D. Service Innovation
E. Organizational Innovation

Q12. How is the effectiveness of Total Productive Maintenance (TPM) measured?

A. Return on Investment (ROI)
B. Gross Profit Margin
C. Overall Equipment Effectiveness (OEE)
D. Net Present Value (NPV)
E. Customer Satisfaction Index

SEBI Grade A 2024 Phase 2 Costing Recollected Questions Answer key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	D	2	C	3	D
4	B	5	C	6	B
7	C	8	D	9	D
10	C	11	B	12	C

SEBI Grade A 2025 Phase 2 Costing Recollected Questions

Q1. Calculate Labour Rate Variance.
1. Standard Hours equal to 500 hours
2. Actual Hours equal to 475 hours
3. Actual Rate equal to Rs 2 per hour
4. Standard Rate equal to Rs 2.2 per hour

A. 90
B. 95
C. 40
D. 30
E. None of the above

Q2. Cost of conversion means:

A. Cost of Production minus Direct Material
B. Cost of Production minus Direct Labour minus Direct Material
C. Cost of Production minus Production Overheads minus Direct Labour minus Direct Material
D. Cost of Production minus Direct Material minus Direct Expenses
E. None of the above

Q3. Spoilage which occurs due to inefficient process and can be controlled during the ordinary course of business is called:

A. Ordinary Spoilage
B. Operational Spoilage
C. Normal Spoilage
D. Abnormal Spoilage
E. Normal Defects

Q4. Contribution means:

A. Sales minus Variable Cost
B. Fixed Cost minus Profit
C. Sales minus Fixed Cost
D. Variable Cost minus Fixed Cost
E. None of the above

Q5. Lean manufacturing identifies how many types of waste?

A. 3
B. 6
C. 7
D. 9
E. 8

Q6. Lean system originally had 5S. Later, an additional S was added. What is the sixth S?
A. Safety
B. Standardization
C. Support
D. Supervision
E. Sustainability

Q7. Which of the following statements is incorrect about Kaizen Costing?
A. It is only for short term
B. It focuses on waste reduction
C. It involves all employees
D. It promotes continuous improvement
E. It aims at cost reduction during production stage

Q8. BPR uses which cycle or framework to identify inefficient processes?
A. Porters Value Chain
B. Porters Process Chain
C. Deming Cycle
D. Kaizen Cycle
E. Value Engineering Framework

Q9. What is the defect level at Six Sigma quality?
A. 8.2 defects per million
B. 7.2 defects per million
C. 233 defects per million
D. 3.4 defects per million
E. 6 defects per million

Q10. Batch costing is an extension of:
A. Job Costing
B. Process Costing
C. Contract Costing
D. Operation Costing
E. Service Costing

Q11. What is a Budget?
A. A quantitative plan prepared for a fixed period of time
B. A record of past financial transactions
C. A statement showing actual profit or loss
D. A report prepared after completion of the accounting year
E. A statement of financial position on a specific date

Q12. How has the role of a Management Accountant changed in modern organizations?
A. Strategic role
B. Variable analysis
C. Historical reporting
D. Cost recording
E. Routine bookkeeping

Q13. __________ is a performance benchmark set under perfect conditions, assuming no wastage, no idle time, and maximum efficiency.

A. Basic Standard
B. Current Standard
C. Ideal Standard
D. Normal Standard
E. Attainable Standard

Q14. Cost control mainly includes which of the following?

A. Estimating future profits and dividends
B. Comparison of actual cost with set standards
C. Preparing only final accounts at year end
D. Increasing expenditure to improve quality
E. Recording transactions without analysis

Q15. TPM is the system of maintaining and improving the __________ of the production and quality system.

A. Efficiency
B. Availability
C. Integrity
D. Productivity
E. Flexibility

Q16. Just in Time JIT is an inventory management technique aimed at minimizing inventory levels by receiving materials only when required for production. Which of the following is not a prerequisite for effective implementation of JIT?

A. Reliable suppliers and timely delivery
B. High quality production with minimal defects
C. Stable production schedules and demand
D. Large safety stock of raw materials
E. Strong coordination between production and supplier

SEBI Grade A 2025 Phase 2 Costing Recollected Questions Answer key

Answer Key

Question	Answer	Question	Answer	Question	Answer
1	B	2	A	3	D
4	A	5	C	6	A
7	A	8	B	9	D
10	A	11	A	12	A
13	C	14	B	15	A
16	D				

What Next?

1. **Identify Right Source:** Follow the best study resources (books, online courses, videos, etc.) for each topic on the list. Do not follow multiple sources for the same topic but rather follow good sources multiple times.
2. **Topic Prioritization:** Review the document to identify key topics that require special attention. Prioritize your study schedule based on the significance of each topic in the syllabus. Ensure a balanced approach, allocating more time to critical subjects.
3. **Width of Syllabus:** Merely going through the syllabus is not enough; Regularly revisit the document to reassess what topics actually need to be covered.
4. **Depth of Understanding:** Recognize the varying depths at which topics should be covered. While some concepts demand a broad understanding, others require a more in-depth analysis. Tailor your study approach, accordingly, allocating more time to complex topics that demand deeper comprehension.

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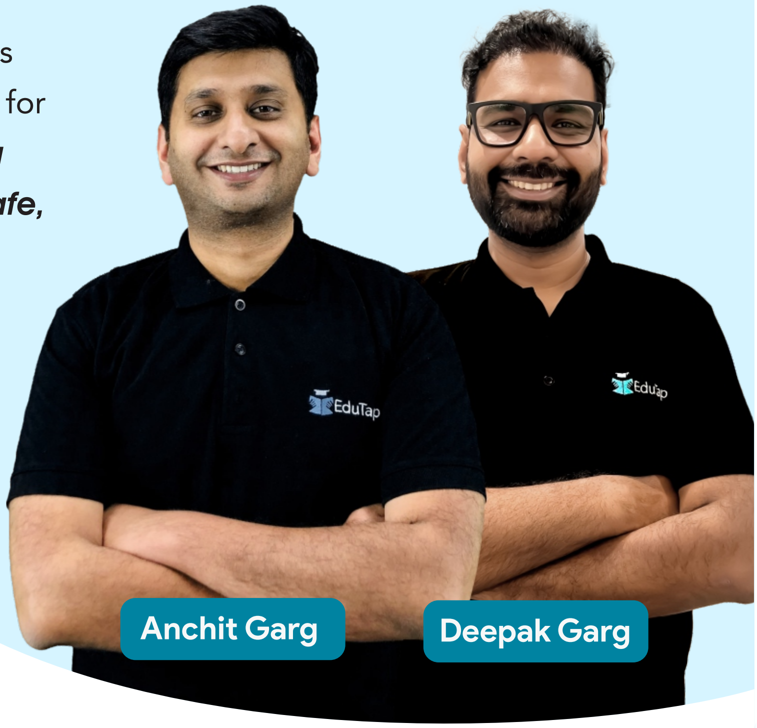
We are a passionate team of experienced professionals who understand the challenges of aspirants preparing for government jobs. Our vision is to "***create a nurturing ecosystem for the aspirants so that they can feel safe, guided, and mentored***."



Our Mission

At EduTap, our mission is to empower students to reach their full potential by providing comprehensive guidance, expert mentorship, and a supportive community. Since our start in 2016, we've grown into a trusted platform for aspirants, delivering exceptional results in government recruitment exams and certifications year after year.

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