VCD 121022 SYBMS/ (FIN) /SEM-III /SUB- COST ACCOUNTING/2½ Hr/75Marks

N.B. 1. All Questions are compulsory. 2. Figures to the right indicate full marks.

Q.1. Objectives Questions (15)

(A) Multiple Choice Questions (8 out of 10) (8)

1. Factory Cost is ____________ cost.
   (a) Fixed cost (b) Variable cost
   (c) Semi-Variable cost (d) Semi-Fixed cost

2. Prime cost is also termed as ____________
   (a) Indirect cost (b) Direct cost (c) Factory cost (d) Overhead

3. FIFO its stand for ________________________
   (a) First in First out (b) Fixed in Fixed out
   (c) First in Final out (d) none of the above

4. EOQ stands for ________________________
   (a) Economic order quantity (b) Economic order quality
   (c) Equilibrium order quantity (d) None of the above

5. Recorder level = Maximum consumption x ________________________
   (a) Maximum Re-order period (b) Normal consumption
   (c) Average Re-order Period (d) Re-order quantity

6. Employee welfare expenses are allocated on the basis of ____________
   (a) Number of employees (b) Labour hours (c) Machine hours (d) Prime cost

7. Dividend paid is which type cost ____________
   (a) Administration expenses (b) Selling expenses
   (c) Direct cost (d) not included in cost sheet

8. ____________ cost is the value of the alternative foregone by adopting a particular strategy or employing resources in specific manner.
   (a) Input cost (b) Sunk cost (c) Controllable cost (d) Opportunity cost

9. Secondary Packing material is a part of ____________
   (a) Direct cost (b) factory overhead
   (c) Administrative overhead (d) Selling overhead

10. Bonus hours as per Halsey plan = ____________ of time saved.
    (a) 1/2 (b) 1/3 (c) 1/4 (d) none of the above

(B) State whether the following are true or False: (7 out of 10) (7)

1. Labour turnover can be reduced.
2. JIT its stand for Just in Time.
3. The output of process I becomes the input of process 2.
4. Example of Fixed cost is Rent.
5. Example of Semi-Variable Cost is Electricity.
6. Under FIFO method, stock purchased first is deemed to be issued first.
7. In Absorption costing both fixed and variable cost are allocated to cost units.
8. Debenture interest is excluded from cost sheet.
9. Rent received is only credited in financial accounts.
10. Uniform costing helps in cost control.

Q.2. (A) The Ganesh Company is having Three production departments namely: A, B and C and One service departments D. The expenses incurred during the month of March, 2014 as follows: **(15)**

Experses	Amount (Rs)
Rent	5,000
Repairs to plant	3,000
Depreciation to plant	2,250
Supervision	750
Fire insurance (stock)	2,500
Power	4,500
Light	500
Employers Insurance Liability	7,500

The following information are available in respect of the four departments.

Particular	A	B	C	D
Area (Sq.ft)	1,500	1,100	900	500
No. of employees	20	15	10	15
H.P. of Machines	800	500	200	-
Wages (Rs.)	60,000	40,000	30,000	20,000
Value of Plant (Rs.)	2,40,000	1,80,000	1,20,000	60,000
Value of stock (Rs.)	1,50,000	90,000	60,000	-
No. of Light Points	40	30	20	10

Prepare a statement showing Primary Distribution of Overheads

OR

Q.2. (B) A Product passes through three Processes. The following cost data have been extracted from the book of a company. **(15)**

Input to Process A = 20,000 unit at Rs. 28 per unit

Particular	Process A (Rs.)	Process B (Rs.)	Process C Rs.
Materials	12,000	10,000	9,000
Direct Labour	16,000	5,000	4,900
Manufacturing Expenses	2,000	3,400	3,590
Normal Loss	20%	15%	10%
Actual output (Unit)	18,000	16,000	15,000
Scrap value of normal loss	1	2	3

Prepare Process A, Process B, and Process C Accounts.

Q.3. (A) From the following particular, find out the Economic Order quantity: **(8)**

Annual Demand	6,000 units
Ordering cost	Rs. 45 per order
Inventory Carrying cost per annum per unit	Rs. 15

Q.3. (B) Calculate earning of a worker under Halsey premium plan and Rowan Premium plan from the following: **(7)**

Standard Time allowed	16 hours
Time taken	12 hours
Hourly rate of wages	Rs. 3 per hour

OR

Q.3. (c) Calculate by FIFO method of Inventory valuation and value of closing inventory from the following data: **(15)**

Date	Transaction	Unit	Rate
1-1-2019	Opening	1500	20
4-1-2019	Purchase	750	25
17-1-2019	Purchase	600	22
20-1-2019	Sales	1800	30
22-1-2019	Purchase	750	31
25-1-2019	Sales	600	25
28-1-2019	Sales	750	32
30-1-2019	Purchase	200	30
31-1-2019	Sales	100	25

Q.4. (A) From the following figures prepare a reconciliation statement and calculate profit per cost record. **(15)**

Particulars	Rs.
Net Profit as per financial record	1,20,000
Works overhead under-recovered in costing	3,000
Administrative overhead recovered in excess in Costing	1,500
Depreciation charged in financial records	12,000
Depreciation recovered in costing	12,500
Interest received but not included in costing	6,000
Obsolescence loss charged in financial records	6,500
Income-tax provided in financial books	30,000
Bank interest credited in financial books	500
Stores adjustment (credit in financial books)	700
Loss due to depreciation of stock charged in financial	7,050

OR

Q.4. (B) From the following information, prepare detailed cost sheet for the year ended 31.3.2017. **(15)**

Particulars	Rs.
Opening stock – Raw Materials Finished Goods	20,000 30,000
Purchases of Raw Materials	15,00,000
Direct Wages	12,00,000
Power	99,500
Carriage on Purchase of Raw Materials	20,000
Cost of Special Design	50,000
Custom Duty and Octroi on Raw Materials	60,000
Rent and Rates – Office Factory	50,000 70,000
Telephone Expenses	30,000
Advertisement	75,000
Electricity – Office Factory	15,000 30,000
Machinery Lost in fire	1,00,000
Depreciation – Plant and Machinery Delivery Van	80,000 20,000
Income Tax	1,20,000
Salaries	2,50,000

Donations	70,000
Establishment Expenses	1,00,000
Rent of Showroom	65,000
Interest on Loan	45,000
Sale of Factory Scrap	7,500
Dividend Received	17,500
Directors Fees	60,000
Mailing Charges of Sale Literature	10,000
Closing stock – Raw Materials	1,85,000
Finished Goods	30,000

Other Information:

(a) 60% of Telephone Expenses relate to office and 40% to sales Department.

(b) Salaries to be allocated to the Factory, Office and sales Department in the ratio of 1:2

(c) Establishment Expenses are to be apportioned equally between Office and Sell & Distribution Dept.

(d) Sales are made to earn Profit @ 20% on selling price.

Q.5. (A) Explain Cost Accounting and its Disadvantages? **(8)**

(B) Explain Balanced scorecard in detail **(7)**

OR

Q.5. Write short notes on: (3 out of 5) **(15)**

(a) Explain Target Costing.

(b) Explain Advantages of Cost Accounting.

(c) EOQ

(d) Financial Accounting V/s Cost Accounting

(e) Scope of Cost Accounting
