

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce and Economics, Margao - Goa**  
**TY B.Com, Semester-V, Semester End Examination, January 2022**  
**Cost Accounting – DSE-I**  
**Cost Accounting –I (COD102)**

**Duration: 2 hours**

**Max. Marks: 80**

**Instructions: (i) Q.1 is Compulsory**

**(ii) Answer any three from Q.2 to Q.6**

**(iii) Figures to the right indicate full marks**

**Q.1** From the information given below pertaining to Material W10, calculate the following stock levels to be maintained in the stores.

i) Re-ordering Level

ii) Minimum Level

iii) Maximum Level

iv) Danger Level

v) Average Stock Level

Lead time for emergency purchases: Emergency Purchases: 10 Weeks

Maximum: 15 Weeks

Minimum: 6 Weeks

Maximum for emergency purchases: 4 Weeks

Average Rate of Consumption: 15 units per Week

Maximum Rate of Consumption: 20 units per Week

Re-ordering Quantity: 200 units **(20 Marks)**

**Q.2 A.** Differentiate between the Centralised and Decentralised Purchase System. **(10 Marks)**

**B.** Explain the advantages of Materials Control. **(10 Marks)**

**Q.3** Prepare Stores Ledger Account using First In First Out and Last in First Out for Whitebug Ltd., for the year 2020 from the following information available: **(20 Marks)**

Date	Particulars	Quantity in Units	Rate per Unit
1 <sup>st</sup> November 2020	Opening Balance	25	Rs.6.50
3 <sup>rd</sup> November 2020	Issue	8	

5 <sup>th</sup> November 2020	Purchase	50	Rs.5.75
7 <sup>th</sup> November 2020	Issue	12	
10 <sup>th</sup> November 2020	Returned out of Purchases made on 5 <sup>th</sup> November 2020	10	
12 <sup>th</sup> November 2020	Issues	15	
13 <sup>th</sup> November 2020	Issues	20	
16 <sup>th</sup> November 2020	Purchase	25	Rs.6.10
17 <sup>th</sup> November 2020	Issue	10	
19 <sup>th</sup> November 2020	Received replacement of those units that were returned on 10 <sup>th</sup> November 2020	10	
20 <sup>th</sup> November 2020	Returned from the Department materials purchased on 5 <sup>th</sup> November 2020	5	
26 <sup>th</sup> November 2020	Issue	10	
30 <sup>th</sup> November 2020	Shortage in Stock	2	

**Q.4 A.** Describe the advantages of Cost Accounting System to various Stakeholders.

(10 Marks)

**B.** Differentiate between Cost Accounting and Financial Accounting.

(10 Marks)

**Q.5 A.** Berlington Ltd. Issues the materials from the stores at standard price of 10 per unit. You are required to prepare Stores Ledger Account under the Standard Price Method from the following purchases and issues for the month of July 2020.

(10 Marks)

Date	Particulars	Quantity	Rate
July 2	Received	2000 units	Rs.11
July 5	Received	1000 units	Rs.10
July 10	Issued	1200 units	-
July 18	Received	800 units	Rs.9
July 25	Issued	900 units	-

July 29	Received	500 units	Rs.12
July 30	Issued	1100 units	-

**B. i)** Calculate the Economic Order Quantity from the following information.

Annual Usage: 12,000

Cost of Material per unit: Rs.20

Cost of Placing and receiving an order: Rs.60

Annual Carrying Cost if one unit: 10% of Inventory value (5 Marks)

**ii)** Differentiate between Economic Order Quantity and Re-order Quantity. (5 Marks)

**Q.6** Write short notes on any four of the following: (4 x 5 = 20 Marks)

- a. Role of Cost Accounting in Managerial Decision Making.
- b. Advantages of Perpetual Inventory System.
- c. Functions of a Storekeeper.
- d. Types of Materials.
- e. Need for maintaining Bin Cards and Stores Register.
- f. Limitations of Average Cost Method of Pricing of Materials.