

Vidya Vikas Mandal's

Shree Damodar College of Commerce and Economics, Margao – Goa

First Year B.Com., Semester – I, Semester End Examination Oct 2017 (Old Course)

FOUNDATION COURSE – COST ACCOUNTING

Max Marks : 80

Instructions 1) Question No. 1 is compulsory

2) Answer any THREE Questions from the remaining

20

	Rs.		Rs.
Opening Stock of Raw Material	25,000	Indirect Material consumed	500
Purchase of Raw Material	85,000	Salaries - Office	2,500
Closing Stock of Raw Material	40,000	„ - Salesmen	2,000
Carriage Inward	5,000	Other Factory Expenses	5,700
Wages - Direct	75,000	Other Office Expenses	900
Wages - Indirect	10,000	Manager's Remuneration	12,000
Other Direct Charges	15,000	Advertisement expenses	2,000
Rent & Rates - Factory	5,000	Travelling Expenses	1,100
„ - Office	500	Carriage Outward	1,000
Depreciation – Plant	1,500	Sales	2,50,000
„ - Furniture	100	Advance Income Tax paid	10,000

The Manager has overall charge of the Company and his remuneration is to be allocated as Rs.4,000 to Factory, Rs.2,000 to Office and Rs.6,000 to Selling operations.

Prepare a Cost Statement showing i) Prime Cost ii) Works Cost iii) Cost of Production

iv) Cost of Sales and v) Profit

Q2.a) Define 'Cost Accounting '. Explain the advantages and limitations of Cost Accounting. 10

b) Explain the terms - 'Notional Expenses' and 'Non-cost items of expenses' 10

Q3. a) What is Classification and Codification of Materials? 10

b) What are fast-moving and slow-moving Material ? Which formula determines the speed of movement of Material ? Explain. 10

Q4. Enter the following transactions in the Stores Ledgers under a) FIFO Method and

b) Weighted Average Method : 20

2016 July 1 Balance 250 units @ Rs.10 per unit

3 Issued 50 units on M.R. No.61

6 Received 800 units vide G.R. No.13 @ Rs. 11per unit

7 Issued 300 units on M.R. No.63

- 8 Returned to Stores 20 units issued on M.R. No. 61
- 12 Received 300 units as per G.R. No.15 @ Rs.12 per unit
- 15 Issued 320 units - M.R. No.83
- 18 Received 100 units vide G.R. No.77 @ Rs.12 per unit
- 20 Issued 120 units - M.R. No. 102
- 23 Returned to vendors 40 units from G.R. No.77 received on 18th July
- 26 Received 200 units on G.R. No.96 @ Rs. 14 per unit
- 28 Issued 250 units on M.R. No.113
- 31 Condemned due to deterioration in quality 20 units.

Q5. a) Calculate i) Reorder Level ii) Maximum Level iii) Minimum Level and

iv) Average Level from the following :

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- Normal Usage - 100 units per day
- Minimum Usage - 60 units per day
- Maximum Usage - 130 units per day
- Economic Order Quantity - 5,000 units
- Reorder period - 25 to 30 days

b) Calculate Economic Order Quantity for Raw Material and Packaging Material from the following data :

10

- (1) Cost of Ordering : Raw Material - Rs. 1,000 per order
Packaging Material - Rs. 5,000 per order
- (2) Cost of holding inventory : Raw Material -.1 paise per unit per month
Packaging Material - 5 paise per unit per month
- (3) Production Rate - 2,00,000 units per month

Q6 Write short notes on any FOUR of the following :

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- a) Element-wise Classification of Costs
 - b) Bin Card
 - c) Material Turnover
 - d) Perpetual Inventory System
 - e) ABC Analysis
 - f) Notional Expenses
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