

Vidya Vikas Mandal's  
Shree Damodar College of Commerce and Economics, Margao – Goa  
First Year B.Com, Semester – I, MAY/JUNE SUPPLEMENTARY EXAMINATION 2017  
FOUNDATION COURSE – COST ACCOUNTING

Duration : 2 Hours

Max Marks : 80

- Instructions 1) Question No. 1 is compulsory  
2) Answer any THREE Questions from the remaining

Q1. Following information relates to Product 'A' for the half-year ended 30<sup>th</sup> June 2016 : 20

	Rs.
Raw Material purchased	1,20,000
Works Overheads	48,000
Direct Wages	1,00,000
Carriage on Purchases	1,440
Opening Stock – Raw Material	20,000
„ - Finished Goods (1,000 units)	16,000
„ - Work-in-progress	4,800
Closing Stock - Raw Material	22,240
„ - Finished Goods (2,000 units)	32,000
„ - Work-in-progress	16,000
Sales - Finished goods	3,00,000

Selling & Distribution Overheads are Re.1 per unit sold. During the period 16,000 units were produced.

Prepare a Cost Sheet and ascertain i) Cost of Material consumed ii) Cost of Production for the period iii) Cost of Sales and iv) Profit.

Q2. Classify Costs on the basis of Functions, on the basis of Behaviour and also Element-wise Classification. Explain each with appropriate examples. 20

Q3.a) What is Bin Card? Distinguish between Bin Card and Stores Ledger. 8

b) What is Periodic Stock-taking and Continuous Stock-taking? Explain the advantages and disadvantages of each system. 12

Q4. The following details are given of a certain material for the month of March 2016 : 20

March 1	Opening Stock 200 tons @ Rs.460 per ton
„ 4	Issued to Job No. 1 – 140 tons
„ 6	Purchased - 350 tons @ Rs.450 per ton
„ 8	Condemned due to deterioration in quality and transferred to scrap -30 tons
„ 9	Issued to Job No. 2 – 80 tons
„ 14	Issued to Job No. 3 - 210 tons

- „ 15 Transferred from Job No.3 to Job No.2 - 10 tons
- „ 17 Purchased – 200 tons @ Rs.480 per ton
- „ 20 Issued to Job No.4 – 120 tons
- „ 25 Purchased - 180 tons @ Rs.470
- „ 28 Issued to Job No. 5 – 280 tons
- „ 31 Excess found in stock - 40 tons, reason traced to the use of wrong measure during the month .

Prepare Stores Ledgers under a) FIFO Method and b) Simple Average Method

Q5. a) Furnished below are the particulars relating to Material 'X' : 8

- Minimum Consumption per day - 75 units
- Maximum consumption per day - 125 units
- Maximum delivery period - 6 days
- Minimum delivery period - 4 days
- Reorder Quantity - 500 units

Calculate - i) Reorder Level ii) Maximum Level iii) Minimum Level iv) Average Level

b) Find the Economic Ordering Quantity from the following information : 6

- Annual Usage - 6,000 units
- Cost of Material per unit - Rs.20
- Cost of placing and receiving one order - Rs.60
- Annual Carrying Cost - 10% of Inventory value

c) Calculate Material Turnover Ratio from the following : 6

	Material 'X' (Rs)	Material 'Y'(Rs)
Opening Stock	3,000	6,000
Purchases	26,000	16,000
Closing Stock	5,000	6,000

Q6. Write short notes on any FOUR of the following : 20

- Procedure of Purchasing
- Fast-moving & Slow-moving stock
- ABC Analysis
- Selling & Distribution Overheads
- Non-cost Expenses
- Notional Expense