

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
**FYB.COM, SEM I, SUPPLEMENTARY EXAMINATION, MAY/JUNE 2015**  
(Revised Syllabus w. e. f 2013)

**FOUNDATION COURSE - COST ACCOUNTING** *(new course)*

Time: 2 Hrs

Max Marks: 80

- Instructions:
- 1) Q1 is compulsory.
  - 2) Answer **any three** Questions from Q2 to Q6.
  - 3) Figures to the right indicate full marks.

**Q1.** From the following information, prepare a Cost Sheet for the year ended 31<sup>st</sup> December 2013: (20)

	Rs.		Rs.
Raw Material Purchased	33,000	Rent & Taxes (office)	500
Productive Wages	38,000	Water Supply (works)	1,800
Unproductive Wages	10,500	Factory Insurance	1,100
Factory Rent & Taxes	7,500	Office Insurance	500
Factory Lighting & Heating	3,700	Rent of Warehouse	700
Motive Power	7,400	Depreciation on :- Plant	2,000
Director's Fees(1/3 factory, 2/3 office)	3,000	Office Building	1,000
Factory Cleaning, etc.	1,300	Delivery Vans	300
Stationery	1,100	Advertising	1,000
Commission on Sales	2,200	Salesmen's Salaries	1,500
Carriage on Purchases	800	Travelling Expenses	500

Calculate the Total Cost and Cost per ton. The total output for the period was 14,775 tons.

- Q2** a) What is 'Cost Accounting'? Distinguish it from Financial Accounting. (10)  
b) Explain the procedure of purchase of material. (10)
- Q3.** a) What is 'Bin Card'? Distinguish between Bin Card and Stores Ledger. (10)  
b) What is Perpetual Inventory System? Explain its advantages and disadvantages. (10)

**Q4.** From the following records of receipts and issues of Material 'M' for the month of April 2014 prepare Stores Ledger under FIFO and Weighted Average methods: (20)

2014 April	1	Balance on hand 50 tons @ Rs.100 per ton.
	3	Issued 30 tons
	8	Received 60 tons @ Rs.120 per ton
	14	Issued 25 tons



- 15 Stock verification reveals a shortage of 2 tons
- 19 Received back from Department 10 tons originally issued on April 3
- 22 Issued 40 tons
- 26 Received 22 tons @ Rs.140 per ton
- 29 Issued 30 tons

**Q5 a) Two components 'X' and 'Y' are used as follows: (10)**

- Normal Usage 50 units per week each
- Minimum Usage 25 units per week each
- Maximum Usage 75 units per week each
- Reorder Quantity X - 300 units  
Y - 500 units
- Reorder period X - 4 to 6 weeks  
Y - 2 to 4 weeks

Calculate for each component : a) Reorder level      b) Maximum level  
c) Minimum level      d) Average Stock level

**b) From the following information calculate Material Turnover Ratio for material P and material Q : (5)**

	Material P Rs.	Material Q Rs.
Opening Stock	25,000	87,500
Closing Stock	15,000	62,500
Purchases	1,90,000	1,25,000

Determine which is the fast moving material.

**c) From the following information calculate the economic ordering quantity and the number of orders to be placed in a year: (5)**

- Material consumed in a year 15,000 kgs.
- Cost of placing an order Rs.48
- Cost of material Rs.2 per kg.
- Storage cost is 8% of inventory value.

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

- a) Fixed and Variable Costs.
- b) Non-cost expenses.
- c) Periodic Stock taking.
- d) ABC Analysis.
- e) Selling & Distribution Overheads.
- f) Stock levels.

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