

Vidya Vikas Mandal's
Shree Damodar College of Commerce and Economics, Margao – Goa
First Year B.Com., Semester – I, Semester End Examination October - 2016
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. Calculate Prime Cost, Factory Cost, Cost of Production, Cost of Sales and Profit from the following information :

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	Rs.		Rs.
Direct Material	1,00,000	Depreciation : Plant	500
Direct Wages	25,000	„ Office Premises	1,250
Direct Expenses	5,000	Consumable Stores	2,500
Foreman's Wages	2,500	Manager's Salary	5,000
Power	500	Director's Fees	1,250
Lighting : Factory	1,500	Office Stationery	500
„ : Office	500	Telephone Charges	125
Storekeeper's Wages	1,000	Postage	250
Oil & Water	500	Salesmen's Salaries	1,250
Rent : Factory	5,000	Travelling Expenses	500
„ : Office	2,500	Advertising	1,250
Repairs : Plant	3,500	Warehouse Charges	500
„ : Office Premises	500	Transfer to Reserves	1,000
Carriage Outward	375	Sales	1,89,500
Discount on Shares written off	500	Income Tax	5,000
Dividend paid	2,000		

Q2. a) What is Cost Accounting ? Distinguish between Cost Accounting and Financial Accounting.

b) What are the components of Prime Cost? Explain each with examples. 10

Q3. a) What is Perpetual Inventory System? Explain its advantages and disadvantages. 10

b) Explain the technique of ABC Analysis as a method of Material Control. 10

Q4. From the following particulars prepare Stores Ledgers under LIFO and Weighted Average methods for the month of January 2016 :

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Receipt of Material :

January 1	300 kgs @ Rs.80 per kg
„ 7	200 kgs @ Rs. 82 per kg
„ 15	250 kgs @ Rs.79 per kg
„ 23	400 kgs @ Rs. 75 per kg
„ 28	200 kgs @ Rs. 77 per kg

Issue of Material :

January 5	140 kgs
„ 8	80 kgs
„ 16	120 kgs
„ 18	210 kgs
„ 20	Transferred 50 kgs from Dept A to Dept B issued on 15 th January
„ 22	200 kgs
„ 25	150 kgs
„ 28	240 kgs
„ 31	The Stock Verifier found a shortage of 20 kgs

Q5. a) Calculate the Reorder level, Maximum level, Minimum level and Average level from the following information :

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Reorder Quantity	- 1,500 units
Reorder period	- 4 to 6 weeks
Maximum Consumption	- 400 units per week
Normal Consumption	- 300 units per week
Minimum Consumption	- 250 units per week

b) Calculate the Material Turnover Ratio for the two Materials and determine which of the two materials is fast-moving :

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	Material 'X'	Material 'Y'
	Rs.	Rs.
Material in hand on 1-1-2015	25,000	87,500
Material in hand on 31-12-2015	15,000	62,500
Material purchased during the year	1,90,000	1,25,000

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

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- Periodic Stock taking
- Economic Ordering Quantity
- Non-cost Expenses
- Factory Overheads
- Bin Card
- Fixed Costs & Variable Costs
- Waste & Spoilage