

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B.Com Semester I, *May/June Supplementary Examination 2016*
(Revised Syllabus w. e. f 2013)

FOUNDATION COURSE - COST ACCOUNTING

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. The accounts of Zee Ltd. show the following for the year ended 31st December 2013: (20)

Drawing Office Salaries	6,500
Counting House Salaries	12,600
Carriage Outwards	4,300
Carriage on Purchases	7,150
Bad Debts	6,500
Repairs to Plant	4,450
Rent, Rates, Taxes and Insurance:-Factory	8,500
Office	2,000
Sales	4,61,100
Stock of Material : 31-12-2012	62,800
31-12-2013	48,000
Material purchased	1,85,000
Travelling Expenses	2,100
Travellers Salaries & Commission	7,700
Productive Wages	1,26,000
Depreciation – Plant & Machinery	6,500
- Furniture	300
Director's Fees	6,000
Gas & Water - Factory	1,200
- Office	400
Manager's Salary (Factory-3/4 ; Office-1/4)	10,000
General Expenses	3,400

Prepare a Cost Statement showing Prime Cost, Works Cost, Cost of Production, Total Cost of Sales and Profit.

- Q 2.** a) Discuss the terms 'Cost' and 'Cost Accounting'. Classify Costs on the basis of behavior, functions and elements. (14)
- b) What are non-cost items of expenses? Explain with examples. (6)
- Q3** a) What is Periodic Stock taking and Continuous Stock taking? Explain the advantages and disadvantages of each system. (12)

b) Explain the technique of ABC Analysis as a method of Material control. (8)

Q 4 Enter the following transactions in the Stores Ledger of material 'X' using LIFO and Weighted Average methods: (20)

July 2014

- 1 Balance 250 units @ Rs.10 per unit
- 3 Issued 50 units on M.R. No.61
- 6 Purchased 800 units vide G.R. No.13 @ Rs.11 per unit
- 7 Issued 300 units on M.R. No.63
- 8 Returned to Stores 20 units of M.R. No.61
- 12 Purchased 300 units @ Rs. 12 per unit vide G.R. No.15
- 15 Issued 320 units on M.R. No. 83
- 18 Purchased 100 units vide G.R. No. 77 @ Rs.12 per unit
- 20 Returned to vendors 40 units from G.R. No.77
- 23 Issued 120 units on M.R. No.102
- 26 Purchased 200 units vide G.R. No.96 @ Rs.14 per unit
- 30 Issued 250 units on M.R. No.113

Q5.a) Following information relates to two components 'A' and 'B' used in a factory: (14)

Normal Usage	200 units per week each
Maximum Usage	300 units per week each
Minimum Usage	100 units per week each
Reorder Quantity	A - 1,600 units B - 2,400 units
Reorder Period	A - 2 to 4 weeks B - 1 to 2 weeks

Calculate for each component –a) Reorder Level b) Maximum Level
c) Minimum Level d) Average Stock Level.

b) From the following information of material X and material Y, calculate for each, Material Turnover Ratio and the number of days the stock of each is held: (6)

	Material A	Rs.	Material B	Rs.
Opening Stock		30,000		70,000
Purchases		1,20,000		2,05,000
Closing Stock		15,000		45,000

Q 6. Write short notes on any FOUR of the following: (20)

- a) Bin Card
- b) E.O.Q.
- c) Codification of Material
- d) Danger Level
- e) Notional Cost
- f) Methods of Pricing Issues
