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**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**TY B.Com, Semester-V, Semester End Examination, January 2021**  
**Cost Accounting Major I (DSE-1) COD102**

**Duration: 2hrs**

**Max Marks: 80**

**Instruction:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Answer Any 4 Questions from Q.1 to Q.6

**Q 1.** From the following details of stores receipts and issues of materials petroleum in a manufacturing company, prepare the stock ledger account using FIFO and LIFO methods of valuing issues. (20)

November 01	Opening Inventory .....	400 Units @ Rs50
November 02	Purchased .....	510 Units @ Rs58
November 03	Issue .....	250 Units @ Rs 52
November 04	Returned to stores 100 units issued on Nov 03rd	
November 07	Returned to supplier 100 units received back on Nov 04 <sup>th</sup>	
November 08	Issue .....	180 Units @ Rs 48
November 09	Purchased .....	250 Units @ Rs49
November 12	Purchased .....	170 Units @ Rs53
November 18	Issue .....	350 Units @ Rs50
November 23	Issue .....	120 Units @ Rs53
November 27	Purchased .....	100 Units @ Rs51
November 30	Issue .....	230 Units @ Rs49

**Q 2.** The following information is available relating to material "X" and "Z"

	Material "X"	Material "Z"
Minimum consumption	100	250
Normal consumption	200	500
Maximum consumption	300	750
Delivery time	5 to 7 weeks	3 to 5 weeks
Reorder quantity	1200	1400

- i) Reorder stock level
- ii) Minimum stock level
- iii) Maximum stock level
- iv) Average stock level

(20)

Q3.

A) Tokyo pharma ltd. Invites tenders for the purchase of raw materials following quotations were received.

**Supplier Aman**

The price per unit Rs 10, he agreed to provide cash discount of 2% if the payments are made within 15 days. He also provides a trade discount of 5% on bulk purchase. The expenditure towards logistic are Rs 3 per 10 units.

**Supplier Ravi**

The price per unit Rs 12.5, he agreed to provide cash discount of 3.5 % if the payments are made within 15 days. The expenditure towards logistic are Rs 4.5 per 10 units.

Both the suppliers charges interest of 6 % p.a. on the amount pending after 15 days. The material comes with returnable containers of Rs 5 each. Each container can accommodate 10 units. A refund of Rs 3 is provided on returning of container within 15 days.

The company requires 10,000 units of raw material. The company makes 50% of the payment within 15 days. The containers are also returned within 15 days. Assuming that all the other conditions and quality of the material are same suggest the supplier whom the order can be given by Tokyo pharma ltd.

(10)

B) What is material control? explain its essentials.

(10)

Q4.

A) What is cost accounting? what are its objectives?

(10)

B) Differentiate between Cost Accounting and Financial Accounting.

(10)

Q5. A) The following is the record of purchases and issues of material in Shree Tires Ltd. during March 2020

**Purchases :**

01<sup>st</sup> March 200 units at Rs 2.5  
 08<sup>th</sup> March 310 units at Rs 3.0  
 12<sup>th</sup> March 250 units at Rs 2.8  
 20<sup>th</sup> March 152 units at Rs 3.5  
 30<sup>th</sup> March 200 units at Rs 3.3

**Issues :**

03<sup>rd</sup> March 100 units  
 14<sup>th</sup> March 280 units  
 18<sup>th</sup> March 110 units  
 25<sup>th</sup> March 90 units  
 30<sup>th</sup> March 100 units

Prepare stores ledger account showing the valuation of issues under Weighted Average price method. (10)

B) Cisco Industries Ltd. requires 25,000 pieces of a certain material for the year. The cost of placing an order Rs 800, visit to suppliers warehouse Rs700, and it is estimated that expenses of carrying the material including unloading charges Rs 200 , stores rent Rs 1000 Calculate EOQ and number of orders to be placed each year. (5)

C) What are the advantages of classification and codification of materials. (5)

Q6 . Write short notes on **Any Four** from the given below. (4X5=20)

- a) FIFO method
- b) Direct materials
- c) Normal and Abnormal waste
- d) Perpetual inventory control system
- e) Functions of stores keeper
- f) Centralized purchase system