

**SHRI S.H.KELKAR COLLEGE OF ARTS, COMMERCE AND SCIENCE, DEVGAD.**  
(SINDHUDURGA)

**SEMESTER III, EXAM, Oct.2023**

**COURSE: INTRODUCTION TO COST ACCOUNTING**

**S.Y.BMS**

**DURATION: 2.1/2 Hrs.**

**75**

**CLASS:**

**MAX. MARKS:**

1. All questions are compulsory.

2. Figures to the right indicate full marks.

Q.1) Objectives Questions

15

A) Multiple choice questions (Any 8)

8

1. Prime cost is also termed as .....

a) Indirect cost    b) Direct Cost    c) Factory cost    d) Overheads

2. Direct costing is also termed as .....

a) Marginal costing    b) Break-even point    c) Indirect costing    d) Profit and loss analysis

3. CPU stands for .....

a) Cost Profit Units

b) Cost per Unit

c) Central processing Unit

d) Controlling Profit Universally

4. Which of the following person is directly associated with cost accounting?

a) Finance manager    b) Financial accountant    c) Auditors    d) Cost accountant

5. The abbreviation 'EOQ' stand for .....

a) Emergency ordered quantity

b) Economic order quality

c) Economic order quantity

d) Everyday ordering quantity

6. Cotton used in a textile mill is an example of.

a) Indirect cost    b) Total cost    c) Direct Cost    d) Overheads

7. Salesmen's incentives is an example of ..... overheads.

a) Administration  
Distribution

b) works

c) Factory

d) Selling

8. The aggregate of all direct costs is termed as ..... Costs.

a) Works

b) Prime

c) Total

d) Production

9. Discount on goods sold is .....

a) Selling cost

b) Distribution cost

c) Finance Cost

d) None of the above

10. The aggregate of ..... costs is termed as overheads.

a) Direct

b) Indirect

c) Total

d) Cash

B) Match the pairs (Any 7)

Column A	Column B
1. Factory rent	a. Final Cost
2. Office Salaries	b. Prime Cost
3. Selling Expenses	c. Financial loss
4. Direct Expenses	d. Works overheads
5. Cost of sale	e. Administrative overheads
6. Depreciation	f. Selling overheads
7. Sales	g. part of prime cost
8. Direct expenses	h. Sales- variable cost
9. Contribution	i. chargeable expenses
10. Direct Material	j. cost plus profit



15

Q.2) Solve A or B

A) From the following data, prepare a cost sheet for the year 2005.

Particulars	Amount
Opening stock of raw material	300000
Purchases	800000
Closing stock of raw material	400000
Carriage outward	50000
Wages direct	700000
Wages indirect	100000
Chargeable expenses	200000
Rent and Rates : Factory	40000
Rent and Rates : Office	5000
Indirect material	15000
Drawing office salary	10000
Depreciation on plant	5000
Office furniture	1000
Office salary	25000
Salesman salary	20000
Opening stock of WIP	20000
Closing stock of WIP	10000
Sale of byproduct	10000
Other factory expenses	57000
Other office expenses	9000
Managing director remuneration	120000
Other selling expenses	10000
Art work charges	40000
Opening Stock of Finished goods	10000
Closing stock of finished goods	50000
Travelling expenses of salesman	11000
Carriage inward	10000
Sales	2500000
Advanced income tax paid	150000
Advertisement	20000
Adjustment :	

1. Managing director remuneration to be allocated as Rs. 40000 to factory , Rs.20000 to office and Rs.60000 for sales.

OR

**Q.2 Mr. Nitin provides the following data relating to the manufacturing of one standard product during the month of April 2005.**

**15marks**

Particulars	Amount
Opening stock of raw material	30000
Raw material purchase	80000
Carriage inward	15000
Closing stock of raw material	20000
Direct labour charge	80000
Machine hours worked	1000
Machine hours rate	20

**Adjustment** 1. Administrative overheads - 10 % on work cost.

2. Selling overheads – Rs.049 per unit

3. Unit produced – 50000 unit

4. Unit sold – 40000 @ Rs.7.00 Per unit.

**You are required to prepared a cost sheet from the above showing**

**1. A cost per unit 2. Profit per unit sold and Profit for the period.**

**Q.3. Solve the problems**

**15**

**A) The following transaction took place in respect of a material**

Date	Receipt quantity	Rate	Issue quantity
02/03/2008	200	2.00	-
10/03/2008	300	2.40	-
15/03/2008	-	-	250
18/03/2008	250	2.60	-
20/03/2008	-	-	300

**Prepare stock register as per FIFO Method, LIFO method.**

OR

**Q. 3 Prepare a cost sheet in the books of M/s shyam Ltd.**  
**15**

1. Raw material consumed – 40000 units @ Rs.7 per unit.

2.Direct wages : i) Skilled worker Rs.9 Per unit

ii) Unskilled worker Rs. 6 Per unit

3. Royalty on raw material consumed @ Rs.3 per unit.



4. Works overheads @ Rs.8 per machine hour

5. Machine hours worked 25000

6. Office overheads at 1/3 of works cost.

7. Sales commission @ Rs. 4 per unit.

8. Unit produced 40000.

9. Stock of unit at the end 4000 units to be valued at cost of production per unit.

10. Sale price is Rs. 50 per unit.

**Prepare cost sheet showing the various elements of cost both in total and per unit.**

#### Q.4 Solve the problem

**A) From the following data prepare a valued stock card for material EXE for the month of April, 2002 and value the closing stock by weighted average method.**

**08**

Date	Transaction
01/04/2002	Opening stock 100 units at Rs. 15 per unit
04/04/2002	Received 90 units at Rs. 16 per unit
07/04/2002	Issued 80 units
11/04/2002	Received 200 units at Rs 17 per units
14/04/2002	Issued 150 units
21/04/2002	Received 20 units at Rs.25 per unit
25/04/2002	Issued 100 units
27/04/2002	Received 50 units at Rs.16 per unit

**B) Following are the basic details pertaining to three production depts.. namely P1, P2, P3, and two service depts., namely S1, S2, of Mikejack Ltd.**

**07**

Area occupied (in sq. ft.000)	50	30	20	15	15
Value of plant and machinery (Rs.in lacks)	80	50	60	10	20
Connected H.P.	600	500	200	200	-
No. of workers	80	60	60	20	20

The company incurred following expenses as overheads.

Particulars	Amount
Building repairs	390000
Consumable stores	220000
Power	165000
Insurance on machinery	88000
Insurance on building	78000
Insurance on electrical	79000
Insurance on workmen compensation	36000
Depreciation on machinery	110000
Depreciation on electrical	45000
Depreciation on building	69000
Staff welfare	48000

The services of service Depts. Are utilized as under.

S1	50%	20%	10%	-	20%
S2	40%	30%	20%	10%	-

You are required to prepare:

- Statement of primary allocation and apportionment of factory overheads.
- Statement of secondary apportionment of service Dept. overheads by step ladder method.

Q.5 A) What is cost? Explain importance of cost accounting.

B) What is cost accounting? Explain objectives of cost accounting.

OR

Write short note (Any 3)

(15)

- Prime cost
- Marginal cost sheet
- Overhead costing
- Material costing
- Bin Card