

**Shahjalal University of Science & Technology, Sylhet**  
**Institute of Information & Communication Technology (IICT)**

2<sup>nd</sup> Year 1<sup>st</sup> Semester (Session: 2019-2020)

Course Code: BUS 201W (SWE); Course Title: Cost & Management Accounting

Term Test -I; Marks: 20; Time: 01 Hour

[Answer all the two questions]

1. The following information has been taken from the accounting records of Klear – Seal Company for last year:

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Selling expense,	US\$ 140,000
Raw Materials Inventory, January 01 ✓	90,000
Raw Materials Inventory, December 31 ✓	60,000
Utilities, factory	36,000
Direct labor cost ✓	150,000
Depreciation, factory	162,000
Purchase of raw materials ✓	750,000
Sales	2,500,000
Insurance, factory	40,000
Supplies, factory	15,000
Administrative expense	270,000
Indirect labor	300,000
Maintenance, factory	87,000
Work in process inventory, January 01	180,000
Work in process inventory, January 31	100,000
Finished goods inventory, January 01	260,000
Finished goods inventory, January 31	210,000

**Required:**

- Prepare a schedule of cost of goods manufactured.
- Compute the cost of goods sold.
- Using data as needed from (i) & (ii) above, prepare an income statement.

2. (a) What is cost behavior? Explain different types of cost with suitable example.  
 (b)

03

07

Week	Served Customers	Total Cost of Service
1	140	114000
2	130	113500
3	180	117900
4	160	116000
5	170	117000
6	125	112500
7	195	119500

**Requirements:**

- Using the High – Low method estimate the variable and fixed element of service cost.
- Express the cost data in the form of  $Y = a + bx$ .
- If the firm provides 125 customers in the next week, what would be the expected total service cost?