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- Q.5 i. What do you mean by over absorption and under absorption of overhead? **4**
- ii. Discuss the various methods of allocating the works overhead charges. Give the merits and demerits of any two methods. **6**
- OR iii. Explain the different methods of absorption of factory overhead. **6**
- Q.6 Attempt any two:
- i. What is meant by 'marginal costing'? Describes its merits and demerits. **5**
- ii. Fixed cost 45,000 **5**
 Variable cost per unit 20
 Sales for the year 1,00,000
 Selling price per unit 50
 Find out:
 (a) Amount of break even (b) Margin of safety
- iii. Calculate Re-order level, Minimum Stock level. **5**
 Maximum consumption 140 units per day
 Normal consumption 100 units per day
 Minimum Consumption 60 units per day
 Reorder quantity 1000 units
 Reorder period 10 to 14 days

Total No. of Questions: 6

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Commerce
 End Sem (Even) Examination May-2019
 CM3CO13 Cost Accounting

Programme: B.Com.(Hons) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Cost accounting is based on _____ system. **1**
 (a) Single entry (b) Double entry
 (c) American accounting (d) Mahajani
- ii. Which method of Costing is used in hospitals? **1**
 (a) Operating cost (b) Unit costing
 (c) Job costing (d) Contract costing
- iii. During the period of rising prices which inventory pricing method tends to fix a higher cost of goods sold- **1**
 (a) LIFO (b) FIFO
 (c) Inflated price (d) Standard price
- iv. In which of the following inventory control method, items of inventory are classified according to their value and importance- **1**
 (a) ABC technique
 (b) Material turnover
 (c) Perpetual inventory system
 (d) Economic order quantity
- v. A tender price is- **1**
 (a) Actual price (b) Estimated price
 (c) Standard price (d) None of these
- vi. The amount of work certified include the _____ of work certified. **1**
 (a) Cost (b) Profit
 (c) Both (a) and (b) (d) None of these

P.T.O.

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- vii. Expenses related to specific department and charged to that department is known as – **1**
 (a) Allocation (b) Apportionment
 (c) Re-apportionment (d) Absorption
- viii. The method of overhead absorption is _____ method. **1**
 (a) Prime cost (b) Direct labour
 (c) Production unit (d) All of these
- ix. Breakeven point is stage of _____. **1**
 (a) Maximum profit (b) Minimum profit
 (c) Minimum loss (d) No profit no loss
- x. Breakeven sales amount is equal to _____. **1**
 (a) Fixed cost/ Contribution per unit
 (b) Fixed cost/ P/V ratio
 (c) P/V ratio/ Fixed cost
 (d) Sales – Variables Cost
- Q.2 i. Explain any three functions of cost Accounting. **3**
 ii. What do you understand by cost accountancy? State its relationship with Financial Accountancy. **7**
- OR iii. Enlist the various methods of cost accounting and describe any three. **7**
- Q.3 i. What do you mean by 'Economic Order Quantity'? **2**
 ii. What do you mean by stores control? Discuss in brief its important techniques. **8**
- OR iii. From the following information prepare stores ledger account by First in first out method. **8**
- | | | |
|---------|--------------------------------|--------------------|
| April 1 | Opening Balance | 500 tons @ Rs.200 |
| 6 | Issued | 250 tons |
| 13 | Purchases | 200 tons @ Rs. 190 |
| 14 | Return from issued of April, 6 | 20 tons |
| 16 | Issued | 180 tons |
| 17 | Purchases | 250 tons @ 180 |
| 24 | Issued | 300 tons |
| 31 | Issued | 200 tons. |

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- Q.4 i. What is tender Price? How is it calculated? **3**
 ii. On 1st October, 2012, a contractor commenced to build a cinema hall, the contract price being Rs. 4,00,000. The financial year of the contractor ends on 31st march. The expenditure on this contract up to this date has been as follows- **7**
- | | |
|----------------|--------|
| Materials | 60,000 |
| Wages | 42,000 |
| Plant | 10,000 |
| Other expenses | 3,000 |
- Works to the value of Rs. 1,50,000 had been certified of which 80 percent had been received in cash. Work completed but not certified was estimated at Rs. 10,500. Materials valued at Rs. 5,000 were on hand at the site.
- After charging depreciation at the rate of 10% Per annum on plant, prepare a contract account.
- OR iii. The product of a manufacturing Concern passes through two processes A and B and then to finished stock. It is ascertained that in each process 5% of the total weights is lost and 10% is scrap which from processes A and B realises Rs.60 per ton and Rs. 200 per ton respectively. **7**
- The following are the figures relating to both processes-

	Process 'A'	Process 'B'
Material (in ton)	1000	100
Cost of material Rs. Per ton	50	200
Wages	30000	15000
Manufacturing expenses	11000	2450
Output in ton	800	790

Prepare process accounts showing cost per ton of each process. There was no stock in any process.

P.T.O.

Marking Scheme
CM3CO13 Cost Accounting

Q.1	i.	Cost accounting is based on _____system. (b) Double entry	1
	ii.	Which method of Costing is used in hospitals? (a) Operating cost	1
	iii.	During the period of rising prices which inventory pricing method tends to fix a higher cost of goods sold- (a) LIFO	1
	iv.	In which of the following inventory control method, items of inventory are classified according to their value and importance- (a) ABC technique	1
	v.	A tender price is- (b) Estimated price	1
	vi.	The amount of work certified include the _____ of work certified. (c) Both (a) and (b)	1
	vii.	Expenses related to specific department and charged to that department is known as – (a) Allocation	1
	viii.	The method of overhead absorption is _____ method. (d) All of these	1
	ix.	Breakeven point is stage of_____. (d) No profit no loss	1
	x.	Breakeven sales amount is equal to _____. (b) Fixed cost/ P/V ratio	1
Q.2	i.	Any three functions of cost Accounting. 1 mark for each (1 mark * 3)	3
	ii.	Meaning and definition accountancy 2 marks Pointwise relationship with Financial Accountancy 1 mark for each (1 mark * 5) 5 marks	7
OR	iii.	Enlisting the methods of cost accounting 1 mark Describing any three. 2 marks for each method (2 marks * 3) 6 marks	7
Q.3	i.	Meaning and definition Economic Order Quantity	2
	ii.	Meaning and definition stores control 2 marks Important techniques. 1 mark for each technique (1 mark * 6) 6 marks	8

OR	iii.	First in first out FIFO formate Presentation and solving the question Final answer – 40 units @ 180 p.u. Total closing stock 7200/-	8
Q.4	i.	Meaning of tender Price 2 marks Calculation 1 mark	3
	ii.	Heading / total 7 Notional profit - 60000/- Profit and loss - 32000/- Work in Progress – 28000/-	
OR	iii.	Process account format & Presentation 7 Process ‘A’ Cost of Abnormal waste 50 units Rs. 5000/- Process ‘B’ Cost of Abnormal gain 25 units Rs. 3250/-	
Q.5	i.	Meaning and definition over absorption of overhead 2 marks Meaning and definition under absorption of overhead 2 marks	4
	ii.	Methods of allocating the works overhead charges 2 marks Merits and demerits of any two methods. 2 marks for each (2 marks * 2) 4 marks	6
OR	iii.	Methods of absorption of factory overhead. 1 mark for each (1 mark * 6)	6
Q.6		Attempt any two:	
	i.	Meaning and definition marginal costing 2 marks Merits 1.5 marks Demerits. 1.5 marks	5
	ii.	(a) Amount of break even - 75000/- (b) Margin of safety – 25000/-	5
	iii.	Calculate Re-order level – 1960 units Minimum Stock level – 760 units	5
