



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELLO WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**SEPTEMBER/OCTOBER 2015 EXAMINATION**

**COURSE CODE:** ACC305 **CREDIT UNITS:** 3  
**COURSE TITLE:** COST ACCOUNTING  
**TIME ALLOWED:** 2 ½ HRS  
**INSTRUCTIONS:** 1. Attempt question number one (1) and any other (3) questions.  
2. Question number 1 carries 25 marks, while the other three (3) questions carry 15 marks each.  
3. Present all your points in coherent and orderly manner

**QUESTION 1**

A simple trading account of J. Stuart Plc is as follows:

**Trading account for the period ending 31<sup>st</sup> March**

Opening stock	N8, 000	Sales	N100, 000
Purchases	64,000	Closing stock	N12, 000
Gross profit	40,000		
	<u>N112, 000</u>		<u>N112, 000</u>

Stores turnover:  $\frac{N112,000}{N10, 000} = 6 \text{ times per annum}$

Use the above account to calculate the Turnover of Stores Material. (25 marks)

**QUESTION 2**

- (a) What do you understand by the term “Integrated accounting” and what advantages does it present compared to other systems of cost and financial accounting? (3marks)
- (b) What are the prime purpose of a cost statement, and what rules should be borne in mind in its preparation?(12 marks)

### **QUESTION 3**

Mention and explain three major factors to consider in location of stores. (15 marks)

### **QUESTION 4**

- (a) Who is a Store keeper? (5marks)
- (b) Mention any five duties of a Storekeeper (10 marks)

### **QUESTION 5**

Discuss any three methods of depreciation that are most frequently encountered. (15 marks)

### **QUESTION 6**

In a simple sentence, state the meaning of the below terms with two examples each.

- (a) Production Overhead  
(b) Administrative Overhead  
(c) Selling Overhead  
(d) Distribution Overhead (15 marks)