



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

Course Code: **ACC305**

Credit Unit: **3**

Course Title: **COST ACCOUNTING**

Time Allowed: **2 ½ HRS**

Instructions: **1. Attempt question Number one (1) and any other three (3).**  
**2. Question number 1 is compulsory and carries 25marks, while the other questions carries 15marks each**  
**3. Present all points in a coherent and orderly manner**

**QUESTION 1**

Discuss any five methods of ascertaining Actual Cost (25marks)

**QUESTION 2**

What are the Cost Accounting Techniques which may be adopted for special purposes of control and policy? (15marks)

**QUESTION 3**

- (a) What is the meaning of Cost Accounting? (5marks)
- (b) Explain the essential elements of Effective Cost Accounting Information (10marks)

**QUESTION 4**

Give brief discussion of the following terms with example:

1. Direct material
2. Direct wages
3. Direct Expenditure
4. Production overhead
5. Administrative overhead
6. Selling overhead
7. Distribution overhead(15marks)

**QUESTION 5**

The materials analyst has forecast the following data in respect of material MS6:

Maximum consumption of material per week: 400 units

Normal consumption of material per week: 300 units

Minimum consumption of material per week: 200 units

Reorder quantity: 2,000 units

Reorder period: 4-6 weeks

Use the above figures to calculate each of the levels:

- a) Reorder level
- b) Minimum stock level
- c) Maximum stock level
- d) Average stock level (15marks)

## **QUESTION 6**

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