

SESSIONAL EXAMINATION, 2024

B. COM 4th SEMESTER

COST ACCOUNTING

Marks: 30

Time : 1 Hour

(The figures in the margin indicate full marks for the questions)

1. Answer the following questions briefly: *(any five)* 2x5=10
 - a) What do you mean by Cost Accounting?
 - b) What is meant by lead time?
 - c) State two important features of process costing.
 - d) What is meant by material control?
 - e) What is the concept of cost?
 - f) Why is ABC analysis of inventory significant?
 - g) What is the basic difference between allocation and apportionment of overhead?

2. Answer the following questions: *(any two)* 2x5=10
 - (a) Write the differences between Cost Accounting and Financial Accounting.
 - (b) State the benefits of centralized purchasing system of materials.
 - (c) State the characteristics of a good cost accounting system.
 - (d) Explain the concept of Perpetual Inventory System as a technique of effective material control.

(a) The following are the costing records for the year 2016:

| | Opening Rs. | Closing Rs. |
|--|----------------|----------------|
| Raw materials | 29,500 | 36,000 |
| Work-in-progress: | | |
| Materials | 13,600 | 12,000 |
| Wages | 11,000 | 16,500 |
| Works overheads | 6,600 | 9,900 |
| Finished goods | | |
| 200 units @ | 84 (p.u) | - |
| Finished goods | | |
| 1,600 units @ | - | 84 (p.u) |
| Purchase of raw materials Rs. 1,90,000 | | |

| | | |
|---|--|--|
| Carriage on purchase Rs. 1,500 | | |
| Sale of scrap of raw materials Rs. 5,000 | | |
| Wages paid Rs. 2,97,000 | | |
| Work overheads are absorbed @ 60% of direct labour cost. | | |
| Administration overheads are absorbed @ Rs. 12 per unit produced. | | |
| Selling and distribution overheads are absorbed @ 20% of selling price. | | |
| Sales during the year 7,600 units at a profit of 10% on sales price. | | |

Prepare a cost sheet for the year ended 31st march, 2016. 10

or

The following transaction took place in respect of an item of material:

| | Receipts | |
|--------------------------------|-----------|--------------|
| | Quantity | Rate (Rs.) |
| Jan - 1: Opening balance | 500 units | @ Rs. 4/- |
| Jan - 5: Received from vendor | 200 units | @ Rs. 4.25/- |
| Jan - 12: Received from vendor | 150 units | @ Rs. 4.10/- |
| Jan - 20: Received from vendor | 300 units | @ Rs. 4.50/- |
| Jan - 25: Received from vendor | 400 units | @ Rs. 4/- |

Following issues were made-

| | |
|--------|------------|
| Jan 4 | 200 units. |
| Jan 10 | 400 units. |
| Jan 15 | 100 units. |
| Jan 19 | 100 units. |
| Jan 26 | 200 units. |
| Jan 30 | 250 units. |

Issues are to be priced on the principle of fast in first out method.

Write out the Store Ledger Account in respect of the materials for the month of January.