

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com. (Hons.) Winter 2018 - 19 Examination

Semester: 3

Subject Code: 16100202

Subject Name: Cost Accounting-I

Date: 25/10/2018

Time: 10.30 am to 1.00 pm

Total Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as directed.**A) Multiple choice type questions. (Each of one mark)****(06)**

1. Find the method of costing from following options:

a) Job Ordering Costing	b) Batch Costing
c) Both (a) and (b)	d) None of the Above

2. Rent of Factory is known as

a) Fixed Cost	b) Variable Cost
c) Semi-Variable Cost	d) Fixed and Variable Both

3. Commission of salesman is known as

a) Fixed Cost	b) Variable Cost
c) Semi-Variable Cost	d) Fixed and Variable Both

4. Leather in shoes is a

a) Direct Material	b) Indirect Labour
c) Indirect Material	d) Direct Labour

5. Advertisement Expense is a example of

a) Direct Expense	b) Indirect Expense
c) Both (a) and (b)	d) None of the Above

6. Advantage of Cost Accounting can help to

a) Management	b) Workers
c) Society	d) All of the above

B) Match the following:**(06)**

- | | |
|------------------------|---------------------------------|
| 1. Total fixed cost | a. added value of a new product |
| 2. Total variable cost | b. remain constant in total |
| 3. Unit variable cost | c. decrease with rise in output |
| 4. Unit fixed cost | d. cost not assigned to product |
| 5. Standard Cost | e. what cost should be |
| 6. Period Cost | f. increase with output |

Q.2 Short Note Questions. (Each of 04 mark)**(12)**

1. About 18,250 items are required per annum for a machine. A fixed cost of Rs. 50 per order is incurred for placing an order. The inventory carrying cost per item amounts to Rs. 7.30 per year. Find the Economic Order Quantity.

2. Standard time is 50 hours. Wage rate per hour is Rs. 3 and actual time taken by worker is 42 hours. Calculate earning and bonus under Rowan Plan.

3. Discuss the frauds in the Payment of Wages.

Q.3 Answer the following. (Any Three)**(18)**

1. Define the Difference between Cost Accounting & Financial Accounting.
2. The following is the record of receipt and issues of a certain material in the factory during a week:
April
1 Opening balance ...50 tones @ ₹ 10 per tone
Issued ...30 tones
2 Received ...60 tones @ ₹ 10.20 per tone
3 Issued ...25 tones Stock verification reveals loss of 1 tone
4 Received back from orders ...10 tones (Previously issued at ₹ 9.15 per tone)
5 Issued ...40 tones
6 Received ...22 tones @ ₹ 10.30 per tone
7 Issued ...38 tones
At what price will you issue the materials? Use FIFO method for this purpose.
3. Discuss the Casual Workers and Out-Workers.
4. Describe the classification of Overhead Costs according to its functions.

Q.4 Answer the following. (Any two)**(18)**

1. Following transactions occur in the purchase and issue of a material:
January, 2 Purchased 4,000 Units @ ₹ 4.00 per unit
January, 20 Purchased 500 Units @ ₹ 5.00 per unit
February, 5 Issued 2,000 Units
February, 10 Purchased 6,000 Units @ ₹ 6.00 per unit
February, 12 Issued 4,000 Units
March, 2 Issued 1,000 Units
March, 5 Issued 2,000 Units
March, 15 Purchased 4,500 Units @ ₹ 5.50 per unit
March, 20 Issued 3,000 Units
From the above, prepare the stores ledger account using Weighted Average Price.
2. Calculate the earnings of a worker under (i) Halsey Plan and (ii) Rowan Plan from the following particulars:
 1. Hourly rate of wages guaranteed 0.50 paisa per hour.
 2. Standard time for producing one dozen articles is 3 hours.
 3. Actual time taken by workers to produce 20 dozen articles is 48 hours.
3. Discuss the purchase process.