

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

**Semester:4****Subject Code: 16100252****Subject Name: Cost Accounting – 2****Date: 29/11/2018****Time: 2:00pm to 4:30pm****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. The summation of direct Material, direct Labour,& direct expenses is known as
  - a) Direct Cost
  - b) Fixed cost
  - c) Overheads
  - d) Factory cost
2. Indirect material used in production is classified as \_\_\_\_\_
  - a) Office Overhead
  - b) Selling Overhead
  - c) Factory Overhead
  - d) Distribution Overhead
3. Total of all direct cost is termed as \_\_\_\_\_
  - a) Prime Cost
  - b) Cost of Sales
  - c) Work Cost
  - d) Cost of Production
4. Labour cost is second element of \_\_\_\_\_
  - a) Sales
  - b) Cost
  - c) Task
  - d) Profit
5. Total of all direct cost is termed as \_\_\_\_\_
  - a) Prime Cost
  - b) Cost of Sales
  - c) Work Cost
  - d) Cost of Production
6. Cost accounting includes all of the following except
  - a) Profit sharing
  - b) controlling
  - c) Product costing
  - d) Planning

**B) True and False****(06)**

1. Abnormal gain appears on the credit side of the process account.
2. In job costing, cost of each job is separately ascertained.
3. Work certified is shown in contract account at cost.
4. Job costing can be used only in small companies.
5. A job is a small contract and a contract is a big job.
6. Most of the costs in a contract are direct cost.

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

1. Define the meaning of Cost with explanation.
2. A contractor Mr. Ronak Patel has to supply 10,000 paper cones per day to a textile mill. Mr. Patel finds that when he starts a production run, he can produce 25,000 paper cones per day. The cost of holding a paper cone in stock for 1 year is 2 paisa & the setting-up cost of a production run is Rs 18. How frequently should production runs be made?
3. Compare the Job Costing v/s Batch costing.

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

1. Fifty units are introduced into a process at a cost of rupee one each. The total additional expenditure incurred by the process is Rs 30. Of the units introduced, 10% are normally spoiled in the course of manufacture; these possess a scrap value of Rs. 0.25 each. Owing to an accident, only 40 units are produced.  
You are required to Prepare (1) Process account (2) Abnormal loss Account.

2. From The following Figures, Prepare a Reconciliation Statement:

Net profit as per financial books	63780
Net profit as per closing stock	66,760
Factory overheads under –recovered in costing	5700
Administration overheads recovered in costing	4250
Depreciation charged in financial books	3660
Depreciation Recover in costing	3950
Interest received but not included in costing	450
Income –tax provided in financial books	600
Bank interest credited in financial books	230
Stores adjustment (credited in Financial books)	420
Depreciation of stock charged in financial account	860
Dividends appropriate in financial account	1200
Loss due to theft & pilferage provided only in Financial books	260

3. Explain the characteristics of Process costing.  
4. Discuss the meaning & needs of Reconciliation.

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

**(18)**

1. Mr. Krishnan Gopal furnishes the following data relating to the manufacture of a standard product during the month of April, 2018:

Raw materials consumed	Rs. 15,000
Direct labour charges	Rs. 9,000
Machine hours worked	900
Machine hour rate	Rs. 5
Administration overheads	20% on works cost
Selling overheads	Rs. 0.50 per unit
Unit produced	17,100
Unit sold	16,000 at Rs. 4 per unit

You are requested to prepare a cost sheet from the above, showing:

- The cost per unit
  - Cost per unit sold and profit for the period.
2. Define process costing Discuss Normal & Abnormal loss with given example.  
3. Give the meaning of Integrated Accounts with its advantages and disadvantages.