

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com. (Hons.) Winter 2019 - 20 Examination

Semester: 3**Subject Code: 16100202****Subject Name: Cost Accounting-I****Date: 21/11/2019****Time: 10:30am to 01:00pm****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. Rent of Factory is known as
 - a) Fixed Cost
 - b) Variable Cost
 - c) Semi-Variable Cost
 - d) Fixed and Variable Both
2. Advantage of Cost Accounting can help to
 - a) Management
 - b) Workers
 - c) Society
 - d) All of the above
3. Leather in shoes is a
 - a) Direct Material
 - b) Indirect Labour
 - c) Indirect Material
 - d) Direct Labour
4. Direct material + direct labour + direct expenses = _____
 - a) Variable Cost
 - b) Prime Cost
 - c) Semi-Variable Cost
 - d) Fixed Cost
5. Machine operator is a example of
 - a) Direct Material
 - b) Indirect Labour
 - c) Indirect Material
 - d) Direct Labour
6. Advantage of Cost Accounting can help to
 - a) Management
 - b) Workers
 - c) Society
 - d) All of the above

B) Answer the following as True and False**(06)**

1. Only variable costs are controllable
2. Supervisor is a indirect labour
3. Idle time arises when workers are paid on piece basis
4. Direct wage is a variable cost
5. Salary of a Watchman is an example of Indirect material
6. Process costing can use in sugar mill

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

1. Explain the any four methods of costing.
2. 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.
3. Standard production is 8 units per hour, working hour per day is 8 hours, lower rate is 5 Rs. and higher rate is 8.75 Rs. per unit, worker X produces 7 units and worker Y produces 9 units. Find the wage of worker X and Y under Taylor's Plan.

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

1. The cost accountant of Parishram Job Ltd. Has computed labour turnover rates for the quarter ended 31 March, 2018 as 10%, 5% and 3% under Flux method, Replacement Method and Separation method, respectively. If the number of workers replaced during that quarter is 30, find out the number of (i) workers recruited and joined, and (ii) workers left and discharged.
2. Explain : Difference between Cost Accounting & Management Accounting
3. 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.

4. Elaborate the advantages of Cost Accounting in view of Management.

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. Following transactions occur in the purchase and issue of a material:

1 July	:	Opening Stock	500 units	@	20Rs. Each
4 July	:	Purchased	400 units	@	21Rs. Each
6 July	:	Issued	600 units		
8 July	:	Purchased	800 units	@	24Rs. Each
9 July	:	Issued	500 units		
13 July	:	Issued	300 units		
24 July	:	Purchased	500 units	@	25Rs. Each
28 July	:	Issued	400 units		

From the above, prepare the stores ledger account using Last In First Out Method.

3. Explain the stages of purchase process.