

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Winter 2017 - 18 Examination

Semester: 2**Subject Code: 06101151****Subject Name: Cost Accounting****Date: 22/12/2017****Time: 10.30 am to 01.00 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/Fill in the blanks (1 Mark Each)****(05)**

1. Overhead consists of all the following except
 - a) Indirect materials
 - b) Indirect Labour
 - c) Indirect Expenses
 - d) All of the above
2. May be a location, a person, or an item of equipment or group of there
 - a) Cost centre
 - b) Cost unit
 - c) Profit centre
 - d) None of Above
3. In cost sheet finished stock is taken before
 - a) Prime cost
 - b) Factory Cost
 - c) Cost of goods sold
 - d) Cost of production
4. In a non-integrated system of accounting, the emphasis is on,
 - a) Personal accounts
 - b) Real accounts
 - c) Nominal accounts
 - d) All of these
5. The most suitable cost system where the products differ in type of materials and work performed is _____
 - a) Job Costing
 - b) Process Costing
 - c) Operating Costing
 - d) None of above

B). Define the following. (Each of 1 mark)**(05)**

1. Incremental cost
2. Investment Centres.
3. ABC analysis
4. Non-Integrated Accounting System
5. Abnormal process loss

C). Direct questions. (Each of 1 mark)**(05)**

1. Mention enterprises which use job costing
2. What do you mean by waste, scrap and spoilage?
3. What is cost ledger?
4. Where reconciliation statement can be avoided?
5. Differentiate Cost centre and Investment centre

Q.2 Answer the following questions.

A). State and explain the differences between Financial Accounting and Cost Accounting. **(07)**

B). How costs are classified? **(08)**

Q.3 Answer the following questions.

A). From the following information, prepare a cost sheet showing the total cost per ton for the period ended on November 30, 2017.

Raw materials	33,000	Rent and taxes (office)	500
Productive wages	35,000	Water supply	1,200
Direct expenses	3,000	Factory insurance	1,100
Unproductive wages	10,500	Office insurance	500
Factory rent and taxes	7,500	Legal expenses	400
Factory lighting	2,200	Rent of warehouse	300
Factory heating	1,500	Depreciation--	
Motive power	4,400	Plant and machinery	2,000
Haulage	3,000	Office building	1,000
Director's fees (works)	1,000	Delivery vans	200
Directors fees (office)	2,000	Bad debt	100
Factory cleaning	500	Advertising	300
Sundry office expenses	200	Sales department salaries	1,500
Factory Expenses	800	Up keeping of delivery vans	700
Factory stationery	750	Bank charges	50
Office stationery	900	Commission on sales	1,500
Loose tools written off	600		

(07)

Prepare cost statement and find out cost per unit

B). Profit & Loss Account of ABC Manufacturing Co. Ltd. (for the year ended 31-3-2017)

Particulars	Rs.	Particulars	Rs.
To Opening Stock	Nil	By Sales (20,000 units)	25,00,000
To Materials	10,00,000	“Closing Stock :	
To Wages	5,00,000	“Finished goods (1,230 units)	1,50,000
To Factory Overheads	4,50,000	Work-in-Progress	70,000
To Office & Admin. Overheads	2,60,000		
To Selling & Dist. Overheads	1,80,000		
To Goodwill written off	2,00,000		
To Interest on Capital	20,000		
To Profit	1,10,000		
Total	27,20,000	Total	27,20,000

(08)

Work-in-Progress :

Materials	30,0000	Labour	20,0000	Interest on capital 20,000
Factory overheads	20,0000	Goodwill written off	2,00,000	

In the Costing records, factory overhead is charged at 100% wages, administration overhead 10% of factory cost and selling and distribution overhead at the rate of Rs. 10 per unit sold.

Prepare a statement reconciling the profit as per cost records with the profit as per financial records.

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)

1. Why is reconciliation of cost and financial accounts necessary? State the possible reasons for difference in profits shown by both the accounts.
2. Discuss the factors which a Cost Accountant should consider before installing a costing system in a manufacturing concern.
3. Following are the figures extracted from the Cost records of a manufacturing unit.

Stores :	Rs.
Opening balance	15,000
Purchases	80,000
Transfer from WIP	40,000
Issue of WIP	80,000
Issue to repairs and maintenance	10,000
Sold as a special case of cost	5,000
Shortage in the year	3,000
Work-in-Progress :	
Opening inventory	30,000
Direct labour cost charged	30,000
Overhead cost charged	1,20,000
Closing Balance	20,000
Finished Products :	
Entire output is sold at 10% profit on actual cost from work-in-process.	
Others :	
Wages for the period	35,000
Overhead Expenses	1,25,000

prepare store control account, Wage control account, Overhead control account, WIP control account

4. Discuss the important cost control accounts maintained in a costing system