

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Summer 2018-19 Examination

Semester: 2
Subject Code: 06101151
Subject Name: Cost Accounting

Date: 08/04/2019
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/Fill in the blanks. (Each of 1 mark) (05)**

1. Which of the following expenses contains telephone Phone bill in it?
 - a) Fixed Expenses
 - b) Semi-Variable Expenses
 - c) Variable Expenses
 - d) All of the Above
2. For normal loss of material, which account is debited ?
 - a) Cost of Sales A/c
 - b) Stores Ledger Control A/c
 - c) Costing P & L A/c
 - d) Factory Overheads A/c
3. Balance of costing profit and loss account either debit or credit is transferred to _____.
 - a) General Ledger Adjustment A/c
 - b) Costing P & L A/c
 - c) Cost of Sales A/c
 - d) None of the Above
4. From the following, which item is not shown in cost sheet.
 - a) Divident Paid
 - b) Material
 - c) Salary
 - d) Carriage Inward
5. In Cement Industry, which costing method is used?
 - a) Unit Costing
 - b) Batch Costing
 - c) Job Costing
 - d) Process Costing

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

1. Tender Price
2. General Ledger adjustment account
3. Prime cost
4. Cost Unit
5. Overheads

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

1. State any two disadvantages of Cost Accounting.
2. Give the two examples of the 'Period Cost'.
3. What is the loss as per financial account, when loss as per cost accounts is Rs. 60,000 and goodwill written off is Rs. 5,000?
4. Give the formula of Total Cost.
5. Provide examples of service costing and contract costing.

Q.2 Answer the following questions.

- A). List out the cost control accounts and explain any two in detail. (07)**

B).

Total Production :	10,000 Units	(08)
Direct Materials :	12,500 kg at Rs. 12 per kg	
Direct Wages :	18,750 hours at Rs. 10 per hour	
Direct Expenses :	Rs. 2500	
Indirect Expenses of factory :	Variable 40% of direct wages and fixed Rs. 35,000	
Indirect expenses of administration :	20% of factory or works cost	
Selling Cost :	10% of factory or works cost	
During the month ,spoiled materials	Rs. 10,000 as scrap value.	
Factory has sold total production so as to realize	20% profit selling price.	
There was no finished goods in the beginning of the month or at the end of the month.		
Prepare a cost sheet showing the total cost and cost per unit.		
Also find out total profit and profit per unit.		

Q.3 Answer the following questions.

A). Define Costing and explain with examples any four methods of costing. **(07)**

B). The Financial profit and loss account of Shivashiv chemicals Ltd. for the year ended on 31st march 2017 is as follows : **(08)**

Particulars	Amount (in Rs)	Particulars	Amount (in Rs)
To materials consumed	50,000	By Sales	1,24,000
To Carriage inward	1,000	By Share transfer fees	200
To direct Wages	34,000		
To Works Expenses	12,000		
To administration expenses	4,500		
To Selling and distribution expenses	6,500		
To Debenture Interest	1,000		
Net Profit	15,200		
	1,24,200		1,24,200

The net profit shown by the cost accounts for the year is Rs. 16,270. Upon a detailed comparison of two sets of accounts it is found that :-

The amount charged in the cost accounts in respect of overhead charges are as follows :

Works overhead charges : Rs. 11,500

Office overhead charges : Rs. 4590

Selling and distribution expenses: Rs. 6640

Reconcile the profits shown by profit and loss account and cost account.

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

- How cost accounting is different from financial accounting ?
- Give a specimen of cost sheet showing with imaginary figures and explain components of "Cost Statement"
- "No system is complete unless it is linked up with the financial accounts, that results shown by both cost and financial accounts may be reconciled" Elaborate

4. Consider following transaction for Aditya Manufacturing Ltd. and pass necessary journal entries and prepare Stores ledger account and Wages control account.

- a. Opening Stock of Raw Materials – Rs. 1,50,000
- b. Closing Stock of Raw Materials – Rs. 50,000
- c. Purchase of Materials – Rs. 3,00,000
- d. Purchase return – Rs. 90,000
- e. Stores issued to production Rs. 1,75,000
- f. Wages Paid –Rs. 60,000
- g. Direct Wages allocated to Production – Rs. 36,000
- h. Indirect Wages allocated to Factory – Rs. 15,000
- i. Office expenses paid- Rs. 5,000
- j. Selling expenses paid – Rs. 4,300