

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA, Summer 2017-18 Examination

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

Date: 09/05/2018
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/Fill in the blanks. (Each of 1 mark)****(05)**

1. In automobile industry,costing is used.

a) Job costing	b) Uniform
c) Multiple	d) Service
2. The scope of cost accounting include..... and.....

a) Cost ascertainment, cost presentation, cost control	c) tax planning, tax accounting, financial accounting
b) presentation of accounting information, creation of policy, day-to day operation	d) none of the above
3.is the smallest segment of activity or area or responsibility for which costs are accumulated.

a) Cost Object	c) Cost center
b) cost driver	d)none of the above
4.cost is irrecoverable cost.

a)implicit cost	c)Sunk Cost
b) Explicit Cost	d) Differential Cost
5. In case of Non Integrated system we prepare _____A/c to give second effect of financial items.

a) Cost ledger Account	c)wage control account
b) Work in Progress account	d)all of the above

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

1. Direct Cost
2. Cost Driver
3. Differential Cost
4. Overheads
5. Non integrated accounts

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

1. What is sunk Cost?
2. Provide any two examples of direct other Expenses.
3. What are the approaches of cost accounting.
4. Provide Suitable costing method: 1.Construction of Road 2. Hotels and hospitals
5. Why cost ledger account is prepared in non integrated accounts.

Q.2 Answer the following questions.

- A). Define Costing and Discuss any four methods of costing in detail using suitable examples.**

(07)

B). Minak Chemicals Ltd . Has supplied following cost data for the year 2016-17.

(08)

	Rs.
Stock of Finished goods(1-4-2016)	51,400
Stock of Finished goods (31-3-2017)	43,000
Purchase of Raw materials	2,00,000
Depreciation on machinery	8,500
Depreciation on furniture	5,210
Factory Rent	4,750
Direct Wages	1,20,000
Sales Revenue	5,04,000
Indirect Labour	1,250
Salary	16,480
Carriage Inward	2,000
Carriage Outward	1,450
Power	2,670
Income Tax	4,475
Donation	3,300
Advertisement Exp.	7,500
Packing Exp.	3,500
Office Rent	4,520
Manager's Salary (For factory 80% and for Office 20%)	12,000
Factory expenses	3,230
Printing And Stationary	6,990
Expenses for Delivery Van	7,550
Opening stock of Raw material	20,000
Closing stock of Raw material	16,000

Using above information prepare Cost sheet for the year 2016 and also calculate :

1. % of factory overhead of direct labour
2. % of office overhead of factory cost
3. % of selling and administration overhead of cost of goods sold.

Q.3 Answer the following questions.

A). The Financial profit and loss account of RSP Ltd. for the year ended on 31st march 2017 is as follows :

(07)

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		
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.

B).

(08)

The Following balances are extracted from the Interior Company Ltd. Pass necessary journal entries in the books Interior Company Ltd. for the year ending on 31/3/2017.

	Opening	Closing
Stock of Finished Goods	4500	5606
Stock of Raw Materials	5870	6124
Stock of Work in Progress	7800	4920
Purchases	75000	
Carriage inward	210	
Stores Issued	60000	
Wages Paid	20000	
Direct Wages Allocated	15000	
Indirect Wages Allocated	5000	
Works expenses paid including rent and power etc.	3500	
Materials issued for repairs	10000	
Factory Overhead transferred to Production]	2300	
Office Overheads transferred to production	2400	
Selling Expenses Paid	1500	
Cost of Completed Production	68000	
Cost of Finished goods sold	72000	

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

(15)

- List down the different types of cost and explain any five type of cost in detail with examples.
- Total Production : 10,000 Units
 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.

3. Shyam Chemicals Ltd. has supplied following information using which prepare :

1. Profit and Loss Account
2. Cost Statement
3. Reconciliation statement

Opening stock of Raw materials	Rs. 2,88,000
Closing Stock of Raw materials	Rs. 4,32,000
Opening stock of Finished Articles	Rs. 5,76,000
Closing Stock of Finished Articles	Rs. 1,44,000
Purchase of Raw materials	Rs. 17,28,000
Wages	Rs. 7,20,000

- Calculate :
1. factory overhead as 20% of prime cost
 2. Office overhead as 80% of factory overhead

Actual factory expenses amounted to Rs. 4,54,300 and office expenses amounted to Rs. 3,71,900.

The Selling price was fixed at a profit of 20% on cost.

4. Consider following transactions 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. 2,50,000
 - b. Closing Stock of Raw Materials – Rs. 3,50,000
 - c. Purchase of Materials – Rs. 1,00,000
 - d. Purchase return – Rs. 80,000
 - e. Stores issued to production Rs. 75,000
 - f. Wages Paid –Rs. 50,000
 - g. Direct Wages allocated to Production – Rs. 35,000
 - h. Indirect Wages allocated to Factory – Rs. 15,000
 - i. Office expenses paid- Rs. 5,000