

140

Seat No: \_\_\_\_\_

Enrolment No: \_\_\_\_\_

**PARUL UNIVERSITY**  
**Faculty of Management Studies**  
**BBA Department**  
**Mid-Semester Examination**

Semester: 2 (Two)  
 Subject Code: 06101151  
 Subject Name: Cost Accounting

Date: 10th Apr. 2017  
 Time: 2:00 PM to 4:00 PM  
 Total Marks: 50 Marks

- Instruction: 1. Attempt all the Questions and Make Necessary Assumptions**  
**2. Right-hand-side Figure Indicate Marks of Question**  
**3. Only Simple/Non-Programmable Calculator Allowed**

**Section A**

**Q.1 A** Select the most Appropriate Answer (3)

1. The value of a benefit sacrificed in favor of an alternative course of action, is called
 

a) Period cost,	b) Opportunity cost
c) Sunk cost	d) Marginal cost
2. Transfer fees received is .....
 

a) Purely financial income	b) Purely financial expense
c) Purely costing income	d) Purely costing Expense
3. Reconciliation of cost and financial accounts ensures the accuracy of the two sets of accounts.(True / False)

**Q.1 B** Define the Following Terms (2)

1. Cost Driver
2. Output Costing

**Q.2** A Factory produces a standard product. The following information is given to you from (7)  
 which you are required to prepare a cost sheet for the period ended on 30th June, 2016:

Particulars	Rs.
Opening stock of raw materials	20,000
Purchases of raw materials	1,70,000
Closing stock of raw materials	8,000
Direct Wages	40,000
Other direct expenses	20,000
Factory Overhead	60,000
Office Overhead	32,000
Selling and distribution expenses	Rs. 2 per unit sold
<b>Units of finished product:</b>	
In hand at the beginning of period	2,000 (Value Rs. 32,000)
Produced during the period	20,000
In hand at the end of the period	4,000

Also find out the selling price assuming that profit is 20% of the selling price.

Q.3 A Enumerate the types of costs on the basis of Functions (6)

OR

Q.3 A Why we maintain cost accounting? (3)

Q.3 B Define Cost Accounting, State its advantages and limitation. (3)

Q.4 A Factory produced a standard product. The following information is given to your from (7)  
which you are required to prepare the "Cost Sheet" of Product 'X'

Material Used :	Rs.
In Manufacturing	11,000
In Primary Packing	2,000
In Selling the Product	300
In Factory	150
In Office	250
<b>Labour - required :</b>	
In Producing	2,000
For Supervision of Factory Management	400
<b>Expenses :</b>	
Direct	1,000
<b>Indirect :</b>	
Factory	200
Office	250
Depreciation – Factory	350
Deprecation - Office Building and Equipment	150
Selling Expenses	700
Freight on Sales	1,000
Advertisement	250

Assuming that all the units manufactured have been sold with Rs. 25000.

**Section B**

**Q.1 A** Select the most Appropriate Answer (3)

1. Apportionment of overhead cost may be defined as
  - a) Charge to cost centre of an overhead cost item with no estimation.
  - b) Charge each cost centre with a share of an overhead cost using an appropriate basis to estimate the benefit extracted by each cost centre
  - c) Charge to cost units for the use of an overhead costs
  - d) Classification of overhead cost or fixed or variable
2. Batch costing may be used in boiler house (True / False)
3. Directors remuneration is treated as
  - a) Factory overhead
  - b) Selling and distribution over head
  - c) Administration over head

**Q.1 B** Define the Following Terms (2)

1. Cost Allocation
2. Sunk Cost

**Q.2** Find out the profit as per costing records and financial accounts from the following information and reconcile the results. (7)

Particulars	Product A
No. of units produced and sold	600
Total Direct Materials (Rs.)	3,600
Total Direct Wages (Rs.)	3,000
Selling Price per unit (Rs.)	25

Works overhead is charged at 80% of direct wages and office overhead at 25% of works cost. Actual works expenses amounted to Rs. 4,500 and office expenses to Rs. 3,900. There were no opening or closing stock

**Q.3** How are costs classified on the basis of Behaviour and element (6)

**OR**

**Q.3 A** Write a short note on "Job-Batch costing" (3)

**Q.3 B** Explain a Cost Unit. Give suitable illustrations (3)

**Q.4** The net profit M. Ltd. shown by Cost accounts for the year ended 31st December, 1994 was Rs. 86,200. A scrutiny of the figures of the financial accounts and the cost accounts revealed the following facts :

(a) work overhead under recovered in cost	1,560
(b) Administrative overhead recovered in excess in cost	850
(c) (i) Depreciation charged in financial account	5,600
(ii) Depreciation recovered in cost	6,250

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(d) Interest on investment not included in costs	4,000
(e) Income tax provided in Financial Accounts	23,000
(f) Bank Interest and Transfer fees (in financial books)	612
(g) Loss due to depreciation in stock value (Charged in financial accounts)	3,375

Prepare a statement showing reconciliation between the figures of net profit as per cost accounts and the figures of the net profit to be calculated for the Financial Accounts, as per reconciliation.