

Seat No: _____

Enrollment No: _____

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
BBA Mid-Term Examination 2019-20

Semester: 2

Subject Code: 06101151

Subject Name: Cost Accounting

Date: 28/02/2020

Times: 120 Minutes

Total Marks: 40

Instructions

1. Attempt all questions from each section.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

Q.1 Do as Directed.**(A) Multiple choice type questions/Fill in the blanks (1 Mark Each)****(05)**

1. In cement industry _____ type of method of costing is used
 a) Unit Costing b) Job Costing c) Process Costing d) Batch Costing
2. In a factory 1000 units are manufactured during a month out of which 900 are sold. The total factory cost is Rs. 240000 and administrative overheads are 15% of factory cost. If selling expenses are Rs. 11600 then the value of closing stock will be _____
 a) Rs. 37200 b) Rs. 27600 c) Rs. 36000 d) Rs. 35600
3. Dividend received is not shown in _____.
 a) Share Capital Account b) Financial Account
 c) Cost Account d) Memorandum of Reconciliation Account
4. Factory Cost + Office Overheads + Opening Stock of Finished Goods - Closing Stock of finished goods = _____
 a) Cost of Sales b) Closing Stock c) Cost of Production d) Cost of Goods Sold
5. Variable cost per unit remains _____.
 a) Constant b) Fixed c) Variable d) Stepped

B). Do as directed (Each of 1 mark)**(05)**

1. Work in progress is generally valued at prime cost. (True/False)
2. Define "Cost Unit"
3. What is Traceable cost?
4. What is "Standard cost"?
5. Define "Tender Price"

Q.2 Answer the following questions.**A) Explain with example classification of cost for managerial decision making.****(07)****B) B. Ltd. manufactures and sales 1000 Wooden Boxes for the year ending 31st March 2018. The summarized Trading Profit and Loss Account is shown as follows :****(08)**

Particulars	Dr. Amount	Particulars	Cr. Amount
To Cost of materials	10000	By Sales	50000
To Direct Wages	15000		
To Direct Expenses	8000		
To Gross Profit	17000		
	50000		50000
To Management & Staff Salary	8000	By Gross Profit	17000
To Rent Rates & Taxes	1500		
To Selling Expenses	2500		
To General Expenses	3000		
To Net Profit	2000		
	17000		17000

For the year ending 31st March 2019 it is estimated that :

- (1) Output and sales will be of 1500 iron boxes.
- (2) Prices of Raw Materials will increase by 25% as compared to last year.
- (3) Wages will rise by 20%.
- (4) Direct expenses will rise in proportion to the combined cost of materials and wages.
- (5) Selling cost per unit will remain unaffected.
- (6) Other expenses will remain unaffected by the rise in output.

You are required to submit a statement to the Board of Directors showing the price at which Wooden Boxes should be marketed so as to show a profit of 20% on selling price for the year ending 31st March 2019.

Q. 3 Answer the following questions. (Any Two)

(15)

1. A toy manufacturing company furnishes the following data relating to the manufacture of a standard product for the month of April 2019.
 Raw materials consumed Rs.15,000
 Direct labour charges Rs.9,000
 Machine hour rate 900
 Machine hour-rate Rs.5
 Office overhead 20% on works cost
 Selling overhead Re. 0.5 per unit
 Units Produced 17,100
 Units Sold 16,000 at Rs.4 per unit
 Prepare a cost sheet showing cost per unit and profit for the year.
2. Explain the difference between Cost Accounting and Financial Accounting.
3. Write short note on:
 - (a) Steps in Absorption costing
 - (b) Cost centre
 - (c) Discretionary cost
 - (d) Marginal costing
4. From the following information of D Ltd. you are required to prepare a Cost Sheet for the year 2019 :

Particulars	Rs.
Opening stock of materials	1500
Purchases of Materials	11500
Closing stock of materials	2000
Direct wages of materials	3000
Other direct expenses	1500
Factory overheads	100% of Direct wages
Office Overheads	10% of factory cost
Selling expenses	Rs. 3 per unit
Units of finished products ;	
Opening stock (Rs. 2650)	200 units
Closing stock	300 units

Production during the year was 2000 units. Assuming that the profit margin is uniformly made to yield profit of 20% on sales price. Find selling price per unit. (Assume that there is no opening and closing stock of work in progress).