



॥ विद्या सर्वस्य भूषणम् ॥

PRABODHAN EDUCATION SOCIETY'S  
Vidya Prabodhini College of Commerce, Education, Computer & Management  
Vidyanagar, Alto-Parvari, Goa

**SEMESTER END EXAMINATION - OCT/NOV 2017 (Regular/Repeat)**

**Sub:** Cost Accounting

**Max. Marks:** 80

**Semester:** I

**Max. Time:** 2 hours

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- Instructions
- 1) Question No. 1 is compulsory
  - 2) Answer any **THREE** questions from Q.No. 2 to Q.No. 6
  - 3) Figures to the right indicates marks
  - 4) Give necessary working notes
  - 5) Answer each main question on a fresh page
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Q.1 From the following information for the year ended 31<sup>st</sup> March 2012, find out:

- i) Prime Cost, ii) Works Cost, iii) cost of production, iv) Cost of Sales, (20)

Stock as on	1-4-2011	31-3-2012
Raw material	₹ 35,000	₹ 50,000
WIP	₹ 45,000	₹ 55,000
Finished goods	₹ 60,000	₹ 70,000

  

Particulars	₹	Particulars	₹
Materials purchased	4,80,000	Income tax	12,000
Direct Wages	1,40,000	Indirect material	8,000
Carriage on purchases	7,500	Showroom rent	5,200
Direct expenses	4,500	Advertising	15,400
Office salaries	7,800	Lighting and heating (Office)	7,000
Office building	2,00,000	Advance Income tax paid	8,000
Salesman salaries	13,000	Debt collection charges	1,200
Unproductive wages	9,000	Travelling expenses of office staff	800
Donations	20,000	Depreciation on Building	2,500
Depreciation on Plant	3,150	Carriage and freight outward	4,500
General expenses	7,400	Factory employees salaries	12,500
Import duty on purchase of raw materials	2,000	Rent, Rates and taxes of Warehouse	1,700
Factory supervision	5,000	Printing and stationery	850
Plant and machinery	4,00,000	Depreciation on Office Appliances	2,200

Q.2 Prepare Stores ledger under LIFO method from the following transactions of December

2011: (20)

Dec. 1	Opening balance 1,200 units @ ₹ 7.5 each
Dec. 2	Issued 300 units to production department
Dec. 3	Received from vendor 500 units @ ₹ 8.5 each
Dec. 4	Issued 700 units
Dec. 5	Received from vendor 800 units @ ₹ 9.5 each
Dec. 6	Issued 600 units to production department
Dec. 7	Received 200 units @ ₹ 10 each
Dec. 8	Issued 500 units
Dec. 9	Issued 300 units to production department
Dec. 10	Stock verification report revealed a shortage of 15 units.

Q.3 From the following particulars of a component calculate, (20)

- a) Re-order Level,                      b) Minimum Level,                      c) Maximum Level,  
d) Average stock Level                      e) Danger Level;

Average consumption	400 units
Normal Usage	400 units per week
Minimum Usage	300 units per week
Maximum Usage	500 units per week
Re-order Quantity	15,000 units
Re-order Period	4 to 6 weeks
Maximum lead time for emergency purchases	2 week

Q. 4 a) Find out Economic Order Quantity (EOQ) and number of orders to be placed

during the year from the following particulars: (06)

- Annual usage: 5,000 units  
Cost of material per unit: ₹ 50  
Cost of placing and receiving one order: ₹ 20  
Annual carrying cost of one unit: 10% of inventory value.

b) From the following information Calculate: (14)

- i) Material Turnover Ratio and                      ii) Material Turnover in Days

	Material A	Material B
Opening stock	₹ 10,000	₹ 35,000
Closing stock	₹ 6,000	₹ 25,000
Materials purchased	₹ 76,000	₹ 50,000

Q.5 Pankaj Manufacturing Company purchased a material of 40 tonnes from the mining company. The following data is available for the lot of material purchased: (20)

- a) Invoice price of the material @ ₹ 1,500 per tone
- b) Trade discount at 20% on invoice price
- c) Excise duty at the rate of 10% on invoice price
- d) Sales tax at 10%
- e) Freight and insurance at 2%
- f) Other charges for delivery at ₹ 100 per tone
- g) Cost of container at ₹ 20 per box of 100 kg
- h) Cost of loading and unloading at 1% of total cost

Compute total material purchase cost and cost per tonne to Pankaj Manufacturing Company

Q.6 Write short notes **ANY FOUR** of the following.

(4x5=20)

- a) First In First out method.
- b) Types of stores.
- c) Ordering cost of inventory.
- d) Advantages of Cost Accounting system.
- e) Activity Based Costing.
- f) Weighted average method.