

TYBCOM SEMESTER END ASSESSMENT JUNE 2022

**Cost Accounting DSE 1 (UCOD102)**

**Semester: V**

**Duration: 2 Hours**

**Max Marks: 80**

**Instructions:**

- Question No. 1 is compulsory.
- Attempt ANY 3 questions from Question no. 2 to Question no. 6.
- Each question carries 20 marks.
- Mention working note required wherever necessary.

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Q1. From the following particulars extracted from the books of a company in respect of material Z. Prepare stores ledger account using FIFO and LIFO method.

**(20 Marks)**

1 <sup>st</sup> June 2017	Opening balance 3500 units at ₹ 14 per unit
3 <sup>rd</sup> June 2017	Purchase 1900 units at ₹ 11 per unit
5 <sup>th</sup> June 2017	Issued 1750 units to production department
8 <sup>th</sup> June 2017	Purchase 1800 units at ₹ 15 per unit
12 <sup>th</sup> June 2017	Purchase 3200 units at ₹ 17 per unit
16 <sup>th</sup> June 2017	Issued 2300 units
21 <sup>st</sup> June 2017	Issued 3300 units
23 <sup>rd</sup> June 2017	Purchase 1200 units at ₹ 14 per unit
27 <sup>th</sup> June 2017	Issued 1100 units
30 <sup>th</sup> June 2017	Shortage found 100 units

Q2. Two components A and B are used as follows

	A	B
Normal usage per week	150	200
Minimum usage per week	75	100
Maximum usage per week	225	250
Reorder quantity	900	1500
Reorder period (weeks)	12 to 18	6 to 12

Calculate for each component the following:

**(20 Marks)**

1. Reorder level
2. Minimum level
3. Maximum level
4. Average level

- Q3. A) Explain the advantages and limitations of cost accounting. (10 Marks)  
B) Explain the installation of costing system. (10 Marks)

Q4.

A)

A quotation is received from a supplier for the supply of material B used in the production of product X in a company

The lot price for 1000 kgs is @ ₹ 5 per kg

The lot price for 6000 kgs is @ ₹ 4.50 per kg

The lot price for 10000 kgs is @ ₹ 4 per kg

Trade discount is 20% and cash discount is 5% if payment is made within fifteen days of the purchase.

One container is required for every 1000 kgs of the materials and containers are charged at ₹100 each but credited ₹ 90 if returned within three months.

The transportation charges for one order are ₹ 1340 and stores charges are ₹400.

Calculate the material cost for 6000 kgs of material when the purchaser decides to purchase 6000 kgs of materials, assuming that containers are returned in due course.

Also calculate the cost per kg of materials.

(10 Marks)

B) Explain the essentials of material control.

(10 Marks)

Q5. A) The following transactions took place with regards to the material used in the company for the month of July 2018. Using the market price method you are required to prepare the stores ledger account. (10 Marks)

01 <sup>st</sup> July 2018	Purchase 2200 units @ ₹ 26 per unit
03 <sup>rd</sup> July 2018	Purchase 900 units @ ₹ 24 per unit
06 <sup>th</sup> July 2018	Issued 500 units (Market price ₹ 22 per unit)
10 <sup>th</sup> July 2018	Purchase 740 units @ ₹ 25 per unit
14 <sup>th</sup> July 2018	Issued 220 units (Market price ₹ 21 per unit)
18 <sup>th</sup> July 2018	Issued 200 units (Market price ₹ 23 per unit)
20 <sup>th</sup> July 2018	Purchase 1300 units @ ₹ 27 per unit
25 <sup>th</sup> July 2018	Issued 720 units (Market price ₹ 25 per unit)

B) From the following particulars calculate Economic Order Quantity (EOQ) and the number of orders to be placed in a year:

Annual requirements 2400 units

Ordering cost ₹ 160 per order

Cost ₹ 120 per unit

Carrying cost of inventory is 15% of cost

(10 Marks)

(4x5 =20 Marks)

Q6. Write short note on **ANY FOUR** of the following

- 1) Principles of cost accounting
- 2) Centralized purchase system
- 3) Functions of store keeper
- 4) Stores ledger
- 5) Dimensions of material control
- 6) Highest In First Out