

Saraswat Vidyalaya's
Sridora Caculo College of Commerce and Management Studies
Khorlim, Mapusa - Goa

BYB.Com. First Semester Examination - October 2017(w.e.f. 2013-14)

Duration: 2 hours

Elements of Cost - I

Maximum Marks: 80

- Instructions:
1. Question No. 1 is compulsory.
 2. Answer **ANY THREE** questions from Question No. 2 to Question No. 6.
 3. Figures to the right indicate full marks.
 4. Start each question on fresh page.

Q.1. From the following transactions in the month of June 2016, prepare separate Stores Ledger accounts using the following pricing methods:-

a. FIFO method.

b. Weighted Average Price Method.

1 st August 2016	Opening Balance 500 units @ ₹5.00 per unit.
Purchases	
2 nd August 2016	200 units @ ₹4.80 per unit.
5 th August 2016	500 units @ ₹4.50 per unit.
10 th August 2016	400 units @ ₹4.90 per unit.

Issues

3 rd August 2016	500 units.
8 th August 2016	600 units.
12 th August 2016	200 units.

(20)

Q.2. The following information is made available of Material A and Material B with respect to the production of Z product:-

Items	Material A	Material B
Normal usage units	15,000	18,000
Minimum usage units	10,000	9,000
Maximum usage units	30,000	27,000
Re-Order quantity units	75,000	72,000
Re-Order period (Months)	2 to 3	2 to 3
Maximum Re-Order period for emergencies (Months)	1	1

Calculate for each material:-

- a) Re-order Level. b) Minimum Stock Level. c) Maximum Stock Level. d) Average Stock Level.
e) Danger Level.

(20)

Q.3.A. From the following information, calculate Economic Order Quantity and number of orders to be placed per year.

Total consumption of material per year	2,000 kgs.	
Buying cost per order	₹ 10	
Unit cost of material	₹ 4 per kg	
Carrying and storage cost	10% on average inventory	(10)

Q.3.B. The following details are available in respect of consignment of 500 kgs of Material 'X'

1. Invoice price – ₹ 100 per kg.
 2. Trade discount – 10% on Invoice Price.
 3. Excise duty – 20% on Invoice price.
 4. Delivery charges – ₹ 500.
 5. Cost of container @ ₹ 100 per container for 100 kg of material.
Rebate is allowed @ ₹ 80 per container if returned within 4 weeks.
 6. Cost of unloading and handling @ 1% of the total purchase cost of material.
- You are required to find the Total Cost of Material purchased and unit cost of per kg of Material 'X'.

(10)

Q.4.A. Distinguish between Cost Accounting and Financial Accounting. (10)

Q.4.B. Explain the following types of cost:- (10)

- a) Fixed, variable and semi-variable costs.
- b) Normal and abnormal costs.

Q.5.A. Explain the Purchase Procedure in detail. (10)

Q.5.B. Explain the term 'Inventory Control' and explain its objectives. (10)

Q.6. Write short notes on ANY FOUR of the following:-

- a) Advantages of Cost Accounting.
- b) Centralized and Decentralized stores.
- c) Classification and Codification of materials.
- d) Factors to be considered in Installation of a Cost Accounting System.
- e) Bin Card as a Stores Record.
- f) ABC system of stores control.

(10)