

SARASWAT VIDYALAYA'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMNT STUDIES
KHORLIM, MAPUSA - GOA

T.Y.BCOM Course (CBCS) Ordinance (Semester - V)

END EXAMINATION JANUARY 2021

Subject - Cost Accounting Major I- Cost Accounting I

[Duration: Two Hours]

[Max Marks: 80]

(W.E.F 2019-20) (CBCS)

Total No. of Printed Pages: 03

Instructions:

- 1) Questions number **One** is compulsory.
- 2) All question carry equal marks and figures to the right indicate maximum marks allotted to Questions/sub questions.
- 3) Answer **any three** Question from Question No. 2 to Question No. 6

Q 1. Hanuja Technologies India Pvt Ltd manufactures and supplies inkjet printers as one of its product in India. They supply two types of components namely, Alpha and Delta to manufacture this product. The weekly data with regards to the stocks is made available to you as follows:

| | | |
|--------------------|--|------------|
| Minimum Usage | 25 units per week each | (20 marks) |
| Maximum Usage | 75 units per week each | |
| Normal Usage | 50 units per week each | |
| Re -Order Quantity | Alpha - 300 Units and Delta- 500 units | |
| Delivery Period | Alpha - 4 to 6 week and Delta - 2 to 4 weeks | |

Calculate for Alpha and Delta Material used above, the following stock levels

- 1) Re Order Level
- 2) Minimum Level
- 3) Maximum Level
- 4) Average Stock Level

Q.2

(A) Following quotation is received from supplier in respect of Material X: (10 marks)

| | Rate per kg |
|-----------------------|-------------|
| Lot price – 1,000 kgs | 5.00 |
| 5,000 kgs | 4.50 |
| 10,000 kgs | 4.00 |

Trade discounts 20% and cash discounts 5% if payment is made within 15 days. One container is required for every 1000 kgs. of the material and containers are charged at Rs 100 each but credited Rs 90/- if returned within 3 months.

| | |
|---------------------------------|-----|
| | Rs |
| Transport charges for one order | 500 |
| Stores charges | 150 |

Calculate the material cost for 5000 kgs and per kgs. of material when the purchaser decides to purchase 5,000 kgs of material , assuming containers are returned in due course.

(B) Elaborate the material purchase procedure in detail. (10 marks)

Q3. The following transactions occur in the purchase and Issue of material (20 marks)

| | |
|--------|---------------------------------------|
| Jan 2 | Purchased 4,000 units @ 4 per unit |
| Jan 20 | Purchased 500 units @ 5 per unit |
| Feb 5 | Issued 2,000 units |
| Feb 10 | Purchased 6,000 units @ 6 per unit |
| Feb 12 | Issued 4,000 units |
| Mar 2 | Issued 1,000 units |
| Mar 5 | Issued 2,000 units |
| Mar 15 | Purchased 4,500 units @ 5.50 per unit |
| Mar 20 | Issued 3,000 units |

From above transactions Prepare Store Ledger Account by following method

A) First in First out Method (FIFO)

B) Weighted Average Method

Q4.

(A) Explain the various cost classification in detail. (10 marks)

(B) What are the advantages and limitations of cost accounting? (10 marks)

Q5.

(A) The standard price of a material is fixed at Rs 10 per unit. Prepare the Stores ledger account showing how the cost of materials issued and value of balance in stock will be recorded under the standard price method from the following purchases and issues made during December, 2020.

| Date | Particulars | Quantity | Rate |
|--------|-------------|-------------|------|
| Dec 02 | Received | 2,000 units | 11 |
| Dec 05 | Received | 1,000 units | 10 |
| Dec 10 | Issued | 1,200 units | - |
| Dec 18 | Received | 800 units | 9 |
| Dec 25 | Issued | 900 units | - |
| Dec 29 | Received | 500 units | 12 |
| Dec 30 | Issued | 1,100 units | - |

(10 marks)

(B) What do you mean by ABC method of stores control? What are its advantages? (10 marks)

Q 6. Write short notes on **ANY FOUR** from the below given.

(4*5=20 marks)

1. Cost Centre
2. Advantages of Centralised Purchasing system
3. Economic Order Quantity
4. Bin cards
5. Advantages of LIFO method
6. Essential of Material control