

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

B.COM FIFTH SEMESTER END EXAMINATION (REPEAT) JUNE, 2022

w.e.f 2019-20 CBCS

COST ACCOUNTING MAJOR I : COST ACCOUNTING I

DURATION: 2 HOURS

MAX MARKS: 80

INSTRUCTIONS:

- 1) **Question No.1** is compulsory.
- 2) Attempt **Any Three** questions from **Question No.2** to **Question No.6**.
- 3) Each question carries 20 marks.
- 4) Give working notes wherever necessary.

Q.1) M/s HV Services Ltd, manufacturing of fans give the following information in respect of two materials namely **P** and **Q** used in the manufacturing process

| | | |
|-----------------------------|-------------|-----------|
| Normal Usage (in units) | : P- 200 | Q- 150 |
| Maximum Usage (in units) | : P- 300 | Q- 250 |
| Minimum Usage (in units) | : P- 100 | Q- 100 |
| Reorder Quantity (in units) | : P- 750 | Q- 900 |
| Reorder Period (in months) | : P- 2 to 3 | Q- 3 to 4 |

Calculate for both **P** and **Q** materials used above the following stock levels:

- 1) Reorder Level
- 2) Minimum Stock Level
- 3) Maximum Stock Level
- 4) Average Stock Level **(20)**

Q.2) (A) Explain Classification of cost in detail. **(10)**

(B) What Cost Accounting? Explain the principles of cost accounting. **(10)**

Q.3) From the following Purchases and Issues relating to the month of March 2021,
prepare the store ledger using **LIFO Method** and **Weighted Average Method**

| | | |
|--------------|-----------------|--------------------------------|
| 1st January | Opening Balance | 4,000 units @ Rs. 4 per unit |
| 3rd January | Received | 500 units @ Rs 5 per unit |
| 6th January | Issued | 2,000 units |
| 8th January | Received | 6,000 units @ Rs 6 per unit |
| 12th January | Issued | 4,000 units |
| 15th January | Issued | 1,000 units |
| 20th January | Issued | 2,000 units |
| 25th January | Received | 4,500 units @ Rs 5.50 per unit |

On 29th January stock verifier found the shortage of 400 units **(20)**

Q.4)(A) Following quotation is received from supplier in respect of packing material
used by toys manufacturing company

| <u>Lot Size</u> | <u>Rate per units</u> |
|-----------------|-----------------------|
| 1000 units | Rs 5 |
| 6000 units | Rs 4.50 |
| 10000 units | Rs 4 |

Transportation charges per order is Rs 1,340 and storage charges is Rs 400 per order.

Trade discount 20% and Cash discount 5% if payment is made within 15 days of the purchase.

A single container is required for every 1,000 units of the material. Containers are charged at Rs 100 each, if container is returned within three months of purchase, a refund of Rs 90 is given to client.

Calculate the material cost for 6,000 units and per unit cost of material when the purchaser decides to purchase 6,000 Kg of the material. **(10)**

(B) Explain in detail Material Purchase Procedure. **(10)**

Q.5)(A) The following transaction took place during the month of April 2021 relating to Material 'A-61'.

| | | |
|------------|-----------|----------------------------|
| 1st April | Purchased | 500 units @ Rs 22 per unit |
| 8th April | Purchased | 200 units @ Rs 25 per unit |
| 15th April | Issued | 100 units |
| 18th April | Purchased | 400 units @ Rs 20 per unit |
| 20th April | Issued | 400 units |
| 21st April | Issued | 150 units |
| 23rd April | Issued | 200 units |
| 25th April | Purchased | 250 units @ Rs 15 per unit |

The standard price to be considered is Rs 24 per unit

Prepare store ledger account using **Standard Price Method** (10)

(B) What is Economic Order Quantity? Explain Carrying and Ordering Cost. (10)

Q.6) Write short notes on **ANY FOUR** (20)

- 1) Role of Cost Accounting in managerial decision
- 2) Types of purchase system
- 3) Functions of storekeeper
- 4) ABC method of stores control
- 5) FIFO method of pricing
- 6) Essentials of material control