

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

**B.COM FIFTH SEMESTER END EXAMINATION JANUARY, 2022**

**w.e.f 2019-20 CBCS**

**COST ACCOUNTING MAJOR I : COST ACCOUNTING I**

**DURATION: 2 HOURS**

**MAX MARKS: 80**

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**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 Air Cool Services Ltd, Verna manufacturing of Air Coolers give the following information in respect of two components namely *A* and *B* used in the manufacturing process**

Normal Usage	: 200 units per week	
Maximum Usage	: 300 units per week	
Minimum Usage	: 100 units per week	
Reorder Quantity	: A- 1600 units	B- 2400 units
Reorder Period	: A- 2 to 4 weeks	B- 1 to 2 weeks

Calculate for both *A* and *B* components:

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

**Q.2) (A) Distinguish between Financial Accounting and Cost Accounting **(10)****

**(B) Explain the various classification of cost in detail. **(10)****

**Q.3)** From the following Receipts and Issues of manufacturing company during the month of January 2021, prepare the store ledger using **FIFO Method** and **Weighted Average Method**

1st January	Opening Balance	2,000 units @ Rs. 4 per unit
3rd January	Received	250 units @ Rs 5 per unit
6th January	Issued	1,000 units
8th January	Received	3,000 units @ Rs 6 per unit
12th January	Issued	2,000 units
15th January	Issued	500 units
20th January	Issued	1,000 units
25th January	Received	2,250 units @ Rs 5.50 per unit

On 29th January stock verifier found the shortage of 200 units **(20)**

**Q.4)(A)** Following quotation is received from supplier in respect of material ZEN

<u>Lot Size</u>	<u>Rate per Kg</u>
100 Kg	Rs 5
500 Kg	Rs 4.50
1000 Kg	Rs 4

Trade discount 20% and Cash discount 5% are allowed if payment is made within 15 days. One container is required for every 100 Kg of the material and containers are charged at Rs 10 each but credited as Rs 9 if returned within 3 months

Transportation charges is Rs 50 and storage charges is Rs 15.

Calculate the material cost for 500 Kg and per Kg cost of material when the purchaser decides to purchase 500 Kg of the material. **(10)**

**(B)** Explain in detail the 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

Prepare store ledger account using **Highest In First Out Method (HIFO)** **(10)**

**(B) (i)** From the following information, calculate the EOQ using formula method **(05)**

Annual Consumption	: 4,000 units
Cost of placing an order	: Rs 250
Cost of material	: Rs 20 per unit
Annual carrying cost	: 10%

**(ii)** Explain Carrying Cost. **(05)**

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

- 1) Advantages of Cost Accounting
- 2) Accounting for Spoilage
- 3) Classification & Codification of materials
- 4) ABC method of stores control
- 5) LIFO method of pricing
- 6) Essentials of material control