

SARASWAT VIDYALAYA'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA-GOA.
B.COM FIFTH SEMESTER END EXAMINATION (SPECIAL EXAMINATION) MARCH, 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 advantages and limitations of cost accounting. **(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 accounting for material losses for defective and spoilages. **(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) (i) From the following information, calculate the **EOQ** using **formula method** (05)

Annual Consumption	: 2,000 units
Cost of placing an order	: Rs 125
Cost of material	: Rs 10 per unit
Annual carrying cost	: 10%

(ii) Explain Economic Order Quantity. (05)

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