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4 (Sem 1) COAC (M1)

2013

COST ACCOUNTING

(Major)

Paper : Major 105

Full Marks : 80

Time : Three Hours

The figures in the margin indicate full marks for the questions.

Answer all questions.

1 × 10 = 10

1. Answer as directed :

- (i) Cost Accounting is generally concerned with internal reporting for managerial requirement (state whether the statement is True or False).

(ii) Cost is expressed in '₹' per physical unit (like metre, kg, km, tonne etc.) State whether the statement is True or False.

(iii) Calculate the value of raw materials consumed if Raw materials purchased ₹ 88,000, Opening stock of raw materials ₹ 1,00,000 and Closing stock of raw materials ₹ 1,23,500.

(iv) Select the most appropriate :

Material control covers

- (a) Purchase of Materials
- (b) Issue of Materials
- (c) Storing of Materials
- (d) All of the above.

(v) Materials should be issued by the storekeeper against _____ slip. (Fill in the blank)

(vi) Stock verification sheets are maintained to record the result of _____. (Fill in the blank)

(vii) Time and Motion study is conducted by Pay-roll Department (state whether the statement is True or False).

(viii) Cost of Abnormal idle time is transferred to _____. (Fill in the blank)

(ix) Select the most appropriate :

Wage sheet is prepared by the

- (a) Personnel Department
- (b) Pay-roll Department
- (c) Cost Accounting Department
- (d) None of the above.

(x) Overhead cost is the aggregate of indirect material cost, indirect wages and _____. (Fill in the blank)

2. Answer the following very briefly : $2 \times 5 = 10$

- (i) Write the meaning of cost classification.
- (ii) State *at least four* items of expenses / losses which will not form a part of the costs as per Cost Accounting.
- (iii) Write the meaning of Merit Rating.
- (iv) Write the meaning of cost apportionment.
- (v) What basis would you follow for distribution of the following overhead expenses to departments? Factory Rent, Municipal Rent and Taxes, ESI, Store service expenses.

3. (i) The following information relates to the manufacturing of a standard product during June 2013

	Amount in ₹
Raw materials	2,00,000
Direct labour	1,00,000
Machine hour rate	50

Machine hour worked 900 hours
Administrative overheads 20% of works cost selling overhead ₹ 5 per unit
units produced 17,100 units
units sold 16,000 units @ ₹ 40 per unit

You are required to prepare statement of cost, showing cost and profit per unit sold. 5

- (ii) State *five* features of a good cost accounting system. 5
- (iii) Write *five* causes of under or over absorption of overheads. 5

Or

- Write *five* objectives of departmentalisation of overheads. 5
- (iv) Briefly describe the Process Costing procedure. 5

Or

Briefly describe the accounting treatment of the following while preparing Contract Account

(a) Depreciation of Plant

(b) Cash Ratio and Retention Money.

2+3=5

4. Barpeta Rice Enterprise do not maintain perpetual inventory system. Only physical inventory was taken at the end of each month. The physical inventory at the end of Dec. 2012 showed 200 bags of fine rice at ₹ 212.25 per bag. The following purchases were made during the month of January, 2013

3rd Jan. 400 bags at ₹ 218 per bag

10th Jan. 900 bags at ₹ 223.50 per bag

15th Jan. 400 bags at ₹ 220 per bag

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28th Jan. 700 bags at ₹ 213 per bag

30th Jan. 300 bags at ₹ 224 per bag.

On 31st January, 2013, the physical stock was 1,200 bags. You are required to calculate the value of the stock on 31st January, 2013 according to

(i) FIFO method

(ii) LIFO method and

(iii) Average cost method.

10

Or

Explain briefly the meaning of Maximum Level, Minimum Level and Re-ordering Level in the maintenance of stock in an organisation. What are the factors that governs the fixing of these levels ?

10

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