Name: **Enrolment No:**	UPES

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2018

Course: Cost and Management Accounting **Semester: III**
Programme: MBA (General) **Code: FINC 8006**
Time: 03 hrs. **Max. Marks: 100**
Instructions: Scientific Calculator is allowed

NOTE : ATTEMPT ALL QUESTIONS

SECTION A

S. No	**Multiple Choice Questions**	**Marks**	**CO**
1	In case the variable cost per unit remains constant and the fixed cost falls, the new contribution would be: a) Higher b) Lower c) Unchanged d) None	**2**	**3**
2	Sunk cost is: a) Cost that may be saved by adopting a given alternative b) Non recoverable Cost which is affected by a decision at hand c) Invested cost or recorded cost d) none	**2**	**2**
3	According to which of the following methods of material pricing are close to current economic values a) LIFO b) FIFO c) HIFO	**2**	**2**
4.	. ……. May be a location, a person, or an item of equipment or group of there a) Cost centre b) Cost unit c) Profit centre	**2**	**1**
5	The quality of material to be ordered at one time a) EOQ b) EBQ c) BOQ	**2**	**4**
6	Direct expense are also called ……. Expenses. **a)** Variable b) Chargeable c) Fixed	**2**	**4**
7	Standard costing helps in : (a) Measuring Efficiency (b) Reducing loses (c) Controlling prices (d) None of these	**2**	**3**

8	Expenditure incurred on material, labour , machinery, production and inspection are summed up to find the (a) Total cost of product (b) Selling price of product (c) Factory cost of product (d) None of these	**2**	**1**
9	Prime Cost + Factory Overhead = ……	**2**	**1**
10	**.** If cost of goods sold is Rs 80,700, opening stock Rs 5,800, closing stock Rs 6,000 then amount of purchase will be a) Rs 80,500 b) Rs 74,900 c) Rs 74,700 d) Rs 80,900 e) None of these	**2**	**2**
	SECTION B		
11	Write a short note on "Margin Of Safety".	**5**	**4**
12	Write a short note on "ABC method of Inventory Cntrol"	**5**	**3**
13	From the following information of a company producing three products, you are required to compute: (a) Composite P/V Ratio, and (b) Composite Break-Even Point. *Product* / *Sales Revenue* / *Var* X / ₹ 20,000 Y / 40,000 Z / 60,000 Fixed costs: Rs. 50,000.	**5**	**4**
14	**From the following information calculate the Economic Order Quantity:** Annual usage – 20,000 units Cost of Materials (per unit) – Rs. 250	**5**	**3**

	Cost of placing and receiving order – Rs. 2,000 Annual cost of carrying inventory (including interest) – 10% of cost		
	SECTION-C		
15	The following are the details supplied by J.K. Corporation in respect of its raw materials for the month of December 1988: *Date* — *Receipts (units)* — *Price Per unit (Rs.)* — *Issued (units)* 1.12.88 — 2,000 (opening) — 5·00 7.12.88 — 1,000 — 6·00 10·12.88 — 2,500 15.12.88 — 2,000 — 6·50 31.12.88 — 2,200 On 31.12.88 a shortage of 100 units was found. Find the values of issues and resulting stocks on different dates using (i) LIFO. (ii) FIFO (iii) HIFO ; and (iii) Simple Average methods	**10**	**3**
16	PQR Tubes Ltd are the manufacturers of picture tubes for T.V. The following are the details of their operations during the current financial year. Ordering cost (per order) — Rs 100 Inventory carrying cost (per annum) — 20% Cost of tubes (per tube) — Rs 500 Normal usage (tubes per week) — 100 Minimum usage (tubes per week) — 50 Maximum usage (tubes per week) — 200 Lead time to supply (weeks) — 6 – 8 *Required: Calculate* (i) Re order Level (ii) Maximum level of stock (iii) Minimum level of stock	**10**	**5**
17		10	5

	"Cost accounting is a system of foresight like pre-natal care, but financial accounting is just s post-mortem examination." Critically examine the statement		
	SECTION-D		
18	Prepare a Cost Sheet for the year ended 31.3.2015 from the following figures extracted from the books of Best Engineering Co. **Opening Stock:** (i) Raw Material 40,350, (ii) Work-in-Progress 15,000 and (iii) Finished Stock 35,590. **Cost incurred during the period:** Materials purchased 2,50,000, Wages paid 2,00,000, Carriage inward 2,000, Consumable Stores 10,000, Wages of Storekeeper 7,000, Depreciation of Plant & Machinery 10,000, Materials destroyed by Fire 5,000, Repairs & Renewals 5,010, Office Manager's Salary 10,000, Salary to Office Staff 20,500, Printing & Stationary 10,000, Power 10,500, Lighting for Office Building 2,000, Carriage outward 3,000, Freight 5,000, Entertainment 2,500, Warehousing charges 1,500, Legal charges 2,000, Expenses for participating in Industrial exhibition 6,000. **Closing Stock:** (i) Raw material 35,000, (ii) Work-in-Progress 14,500, and	**30**	**4**

	(iii) Finished Stock 40,030. Profit 25% on cost.		