Name: **Enrolment No:**	

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, Dec 2022

Course: Cost Accounting | **Course Code:** FINC1016
Program: B.Com (All) | **Semester:** I
Time: 03 hrs. | **Max. Marks:** 100

SECTION A (20 MARKS)
EACH QUESTION WILL CARRY 2 MARKS

S. No.	**Question**	**CO**
Q 1	Basic objective of cost accounting is ________ a) tax compliance b) financial audit c) cost ascertainment d) profit analysis	**CO1**
Q2	In Cost Accounting, ________________ transaction(s) are recorded a) Only internal b) only external c) both a and b d) no	**CO1**
Q3	In Cost Accounting, emphasis is given on: a) Reporting only b) Control only c) Reporting and Control d) None of the above	**CO1**
Q4	Which one out of the following is not an inventory valuation method? a) LIFO b) FIFO c) Weighted Average d) EOQ	**CO1**
Q5	Which one of the following is not considered for preparation of cost sheet? a) Factory cost. b) Goodwill written off b) Selling cost c) Labour cost	**CO1**
Q6	A document which provides for the detailed cost center and cost unit is a) Tender b) Cost Sheet c) Invoice d) Profit Centre	**CO1**
Q7	Direct expenses are also called	**CO1**

	a) Major expense b) Chargeable expense c) Overhead expense d) Sundry expense	
Q8.	Direct material is a a) Fixed Cost b) Variable Cost c) Semi Variable Cost d) None	**CO1**
Q9.	Prime cost includes (a) direct materials, direct wages and indirect expenses (b) indirect materials and indirect labour and indirect expenses. (c) direct materials, direct wages and direct expenses. d) None of the above	**CO1**
Q 10.	Financial Accounting is much broader than cost accounting. a) True c) False	**CO1**
SECTION B (20 MARKS) EACH QUESTION WILL CARRY 5 MARKS		
Q 11	Is there any difference between Cost Accounting and Financial Accounting? If yes, then elaborate **Or** From the following information, calculate Economic Batch Quantity for a company using batch costing: Annual Demand for the components 2400 units Setting up cost per batch Rs 100 Manufacturing cost per unit Rs 200 Carrying cost per unit 6% p.a.	**CO2**
Q 12	Explain in brief the meaning of Minimum Level, Maximum Level, and Re-Order **Or** What Is Cost Accounting? Explain its advantages and disadvantages	**CO2**
Q 13	Explain the Importance of Cost Accounting	**CO2**
Q 14	Calculate the economic order quantity (EOQ) for material A. The following details are furnished: Annual Usage is 90,000 units; Buying Cost per Order is Rs 10;	**CO2**

	Cost of Carrying inventory is 10% of Cost; Cost per unit is Es 50 **Or** Calculate the prime cost from following information: Direct material purchased: Rs 1,00,000; Direct material consumed: Rs 90,000; Direct labor: Rs 60,000; Direct expenses: Rs 7,20,000; Manufacturing overheads: Rs 30,000	
SECTION C (30 MARKS) EACH QUESTION WILL CARRY 10 MARKS		
Q 15.	Prepare Store Ledger using FIFO Method from the following:	**CO3**

	Receipts	Issue
1st Jan	400 units @ Rs 10/unit	
5th jan	200 units @ Rs 12/unit	
10th Jan	500 units @ Rs 11/unit	
12th Jan		300 units
15th Jan		200 units
20th jan	300 units @ Rs 14/unit	
22nd Jan		400 units
25th Jan	250 units @ Rs 15/unit	
26th Jan	200 units @ Rs 16/unit	
29th Jan		300 units
31st Jan		200 units

Or

Calculate the cost of goods manufactured using the following information:
Direct materials Rs. 298,500; Direct labor RS. 132,000; Factory overhead costs RS. 264,000; General and administrative expenses RS. 85,500; Selling expenses RS. 48,800; Work in process inventory: January 1,2021-RS. 118,500; Work in process inventory: December 31- RS. 125,900; Finished goods inventory: January 1, RS. 232,100; Finished goods inventory. Dec.31. RS.78100.

Or

The Bharat Manufacturing Company’s product passes through two distinct processes, X, Y
and Z then to the finished stock. The following information was obtained:

Elements of costs	Total	Process X	Process Y	Process Z
Direct materials	26000	15000	11000	-
Direct labour	26500	12500	6000	8000
Direct expenses	8000	3000	-	5000
Production overhead	79500			

Production Overhead is absorbed by processes at a percentage of direct wages. Production
during the period was 1,000 kgs. There was no stock of raw materials or work-in-progress at
the beginning or at the end of the month.

Q 16 A job no. 121 passes through two departments namely P and Q. The following information is given to you regarding this job:

Particulars	Departments	
	P	Q
Materials issued to job	Rs. 11000	Rs. 2250
Direct labour hours for job	2000	3000
Rate of direct labour per hour	Rs. 2	Rs. 3
Sale of scrap of materials arising from job	Rs. 2000	Rs. 250
Total overhead for the departments	Rs. 20000	Rs. 25000
Total labour hours for the department	Rs. 20000	Rs. 50000

You are required to calculate the cost of job no. 121 from the above figures.

Or

Meera Industries Limited is a single product organization having a manufacturing capacity of 6000 units per week of 48 hours. The output data visa-vis different elements of costs for three constructive weeks are given below

Unit Purchased	Direct Material	Direct Labor	Total Factory Overheads (Variable & Fixed)
2400	Rs.4800	Rs.6000	Rs.37200
2800	Rs.5600	Rs.7000	Rs.38400
3600	Rs.7200	Rs.9000	Rs.40800

CO3

	As a cost Accountant, you are asked by the company management to work out the selling price assuming an activity level of 4ooo units per week and a profit of 20% on selling price.	
Q 17	The costing record of one manufacturing department reveals some favorable and adverse results relating to material variances. Being a cost accountant, how will you explain these material variances to the management? **Or** The costing record of one manufacturing department reveals some data related to unit costing. Being a cost accountant, how will you explain in detail the unit costing to the management?	**CO3**

Section D (30 Marks)

1. **Each Question carries 15 Marks.**

Q18 Prepare a cost sheet of the following data relating to the manufacture of Jeans: **CO4**

Direct materials consumed	20,000	Direct labour	8,000
Indirect labour (in factory)	2,500	Supervision costs (in factory)	1,000
Factory premises rent	1,600	Factory lighting	600
Oil for machines	100	Depreciation of machines	500
Office overheads	8,000	Office salaries	2,000
Misc. office expenses	1,000	Selling and distribution overheads	6,000

A profit margin of 20% on the total cost of goods is expected on the sale of Jeans.

Q 19 Calculate the five different types of Material Variances from the following data: **CO4**

Material	Standard Mix	Actual Mix
X	200 uniuts @ Rs 12	160 units @ Rs 13
Y	100 units @Rs 10	140 units @ Rs 10

Standard Loss allowed is 10%. Actual Production is 275 units.

Or

The cost of sale of product A is made up as follow:
Material used in manufacturing Rs. 4500; Expenses –Indirect –Factory Rs.100
Material used in packing materials Rs.1000; Expenses –Office -125
Material used in selling the product Rs.150; Depreciation-Office building &Equipment -Rs.75
Depreciation-Factory -Rs.175; Selling Expenses –Rs.350
Freight –Rs.500; Advertising Rs.125; Material used in factory Rs.75
Material used in office Rs. 125; Labor required in producing 1000
Labor required for supervision of the Management –factory 200

	Expenses –Direct –Factory 500 Assuming that all the products manufactured are sold, what should be the selling price to obtain 25% on selling price?	