

DCT'S
S.S DEMPO COLLEGE OF COMMERCE & ECONOMICS
ALTINHO – PANAJI
F.Y BCOM SEMESTER – I EXAMINATION
OCTOBER 2014
FOUNDATION COURSE – COST ACCOUNTING [REVISED]

Duration: 2 Hours

Maximum Marks: 80

Instructions: 1] Question No. 1 is compulsory.

2] Attempt any THREE from the remaining.

Q1. Write short notes on any Four

[20 marks]

A] Meaning of Cost Accounting

B] Objectives of Cost Accounting

C] Elements of Cost

D] ABC Analysis

E] Centralised Purchase Policy

F] Classification and codification of materials

Q2. Prepare a stores ledger A/c from the following details using LIFO method of pricing the issue of materials for the month of April 2013.

[20 Marks]

Date	Particulars	Date	Particulars
1 st	Opening balance 21700 kg @ Rs 130 per kg	8 th	Issued 22500 kg
2 nd	Purchased 40000 kg @ Rs 134 per kg	9 th	Physical verification revealed a loss of 500 kg
3 rd	Issued 13500 kg	10 th	Issued 17900 kg
5 th	Issued 17000 kg	12 th	Issued 12600 kg
6 th	Received back from production 1100 kg issued on 3 rd	15 th	Purchased 20000 kg @ Rs 132 per kg
7 th	Purchased 35100 kg @ Rs 128 per kg	16 th	Issued 15500 kg

Q3. The following is the record of receipt and issue of a certain material in the factory during the month of March 2013. Prepare stores ledger A/c under Weighted Average Method and FIFO Method and compare the value of closing stock on 30th March under both the methods. **[20 Marks]**

Date	Particulars	Date	Particulars
1 st	Opening balance 250 units @ Rs 100 per unit	15 th	Received back 50 units issued @ Rs 91 per unit
5 th	Issued 1500 units	20 th	Issued 200 units
8 th	Received 300 units @ Rs 102 per unit	25 th	Received 140 units @ Rs 104 per unit
10 th	Issued 125 units (stock verification revealed a loss of 5 units)	30 th	Issued 150 units

Q4. A. Tenders were invited for the supply of a material and 2 quotations were received as under:

Supplier A: Rate per unit Rs.2; trade discount 10%, cash discount 5% if bills are paid within 15 days, transport charges Re 1 per 100 units.

Supplier B: Rate per unit Rs.1.80 (each upto 1000 units and Rs.1.60 above 1000 units), 6% interest p.a. will be added if bills are not paid within 15 days after receiving the materials, transport charges Rs.3 per 100 units

Assuming that 5000 units are required every month offer your comments as to who should be given the order. **[10 Marks]**

Q4.B. XYZ Ltd has received an offer of quantity discount on its order of materials as under:

Price per ton	Tons
1200	Less than 500 tons
1180	500 to less than 1000 tons
1160	1000 to less than 2000 tons
1140	2000 to less than 3000 tons
1120	3000 and above

The annual requirement for the materials is 5000 tons. The ordering cost per order is Rs1200 and cost of carrying inventory is 20% of average stock. Calculate the most economical purchase level if the ordering size is 100 tons, 500 tons, 1000 tons, 2500 tons and 5000 tons. **[10 Marks]**

Q5.A. The purchase invoice of a manufacturer gives the following information:

Particulars	Amount
Chemical A 3000 kg @ Rs. 4.20 per kg	12600
Chemical B 5000 kg @ Rs. 4.80 per kg	19000
Chemical C 2000 kg @ Rs. 4.75 per kg	9500
Sales tax	2055
Railway freight	1000
Total	44155

A shortage of 200 kg in chemical A, 280 kg in chemical B and 100 kg in chemical C was noticed. The manufacturer paid octroi duty of 10 paise per kg. He also paid for containers as follows: Rs.22 for chemical A, Rs.63.12 for chemical B and Rs.31.80 for chemical C.

Calculate the stock rate that you would suggest for pricing issue at chemicals assuming a provision of 5% towards further damage. **[10 Marks]**

Q5.B. PQR Ltd produces a product which has a monthly demand of 52000 units. The product requires a component X which is purchased at Rs 15 per unit. For every finished product 2 units of component X are required. The ordering cost for X is 350 per order and the carrying cost is 12% p.a. Calculate EOQ for component X and also find the cost as per EOQ and if component X is supplied in an order size of 52000 units. **[10 Marks]**

Q6.A. Distinguish between Cost Accounting and Financial accounting? **[10 Marks]**

B. Write a detailed note on classification of cost.

[10 Marks]

