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**PRESIDENCY UNIVERSITY
BENGALURU**

SCHOOL OF COMMERCE

TEST 1

Winter Semester: 2021 - 22

Course Code: MGT 141

Course Name: COST AND MANAGEMENT ACCOUNTING

Program & Sem: BBA AND BBA AVAITION. & IV Semester

Date: 26th April 2022

Time: 03.00 PM to 04.00 PM

Max Marks: 30

Weightage: 15%

Instructions:

- (i) Read the all questions carefully and answer accordingly.
- (ii) Only normal calculators are allowed.

Part A [Memory Recall Questions]

Answer all the Questions. Each question carries ONE mark.

(1Qx 1M= 10M)

1. Which area of accounting deals with reduction and control of manufacturing expenses ?

- A. Management Accounting
- B. Cost Accounting
- C. Financial Accounting
- D. Financial Management (CO - 01) [Knowledge]

2. Purchases + Opening Stock of Raw Materials – Closing stock : _____ . (CO - 01) [Knowledge]

- A. Direct Cost
- B. Prime Cost
- C. Materials Consumed
- D. Indirect Materials

3. Works Cost is also called as _____ . (CO - 01) [Knowledge]

- A. Factory Cost
- B. Manufacturing Cost
- C. Production Costs
- D. All of the Above

4. Pick the odd one out . (CO - 01) [Knowledge]

- A. Stationaries
- B. Managers Salary
- C. Office Misc Expenses
- D. Wages

5. When COGS is 80,000 and profit on sales is 25%, what will be the Profit value ?

- A. 26,667
- B. 20,000
- C. 25,000
- D. 16,000 (CO - 01) [Knowledge]

6. The items which are excluded from the cost sheet are _____ . (CO - 01) [Knowledge]

- A. Materials and Wages
- B. Income tax and Bad debts
- C. Sales and Profit
- D. Wages and Salaries

7. A formal estimation of prices which the goods are agreed to be supplied or the work order is to executed sent in reply as an invitation is known as _____ . (CO - 01) [Knowledge]

- A. Tender
- B. Quotation
- C. Estimation
- D. Cost Sheet

8. Which area of accounting deals with decision making activities?

- A. Management Accounting
- B. Cost Accounting
- B. Financial Accounting
- D. Financial Management

9. Productive wages are treated under _____. (CO - 01) [Knowledge]

A. Works Cost B. Office Expenses C. Prime Cost D. COGS

10. Cost Accounting is used in _____. (CO - 01) [Knowledge]

A. Educational Institutions B. Manufacturing Industries C. Both A & B D. None of the above .

Part B [Thought Provoking Questions]

Answer both the Questions. Each question carries FIVE marks. (2Qx5M=10M)

11. A Factory manufacturing product 'x' furnished the following information:

Material cost 90,000

Cost of labor 150% of material cost

Factory on cost is charged at 30% of prime cost

Office on cost is calculated at 20% on total cost

Profit is to be calculated at 10% of sales

Ascertain profit by preparing cost sheet. (CO - 01) [Knowledge]

12. Financial Accounting and Cost Accounting are branches of Accounting. Discuss the difference between these two. (CO - 01) [Knowledge]

Part C [Problem Solving Questions]

Answer this Question. It carries TEN marks. (1Qx10M=10M)

13. A manufacturing company requires a statement of cost showing results of its production operation for Jan-2021. The cost records give the following information.

Particulars	01.01.2021	31.1.2021
Raw materials	1,00,000	1,32,500
Finished goods	71,500	42,000
Work in Progress	31,000	34,500

The transactions during the month of Jan-2021 as follows:

Purchase of raw materials: 88,000

Productive wages: 17,000

Work expenses: 39,500

Sales: 2,84,000

Administration expenses: 13,000

Sale of factory scrap: 2000

Selling & Distribution expenses: 15,000 (CO - 01) [Knowledge]

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**PRESIDENCY UNIVERSITY
BENGALURU
SCHOOL OF COMMERCE**

Winter Semester: 2021 - 22

TEST- 2

Date: 1st June 2022

Course Code: MGT141

Time: 03.00 AM to 04.00 PM

Course Name: COST AND MANAGEMENT ACCOUNTING

Max Marks: 30

Program & Sem: BBA AND BBA(AVIATION) & IV SEM

Weightage: 15%

Instructions:

(i) *Read the all questions carefully and answer accordingly.*

(ii) *Only normal calculators are allowed.*

Part A [Memory Recall Questions]

Answer all the Questions. Each question carries ONE mark.

(1Qx 1M= 10M)

1. Maximum level of stock is 1000 units per week and reorder period is 3 to 5 weeks then reorder level will be_____ (CO- 2,Comprehension)
2. JIT Stands for _____ . (CO-02, Comprehension)
3. What is FSN Analysis? (CO-02, Comprehension)
- 4.EOQ is 1200 Units maximum Consumption is 6000 units per annum then what is EBQ? (CO-02, Comprehension)
- 5.Mention any 2 duties of stores Keeper? (CO-02, Comprehension)
- 6.What is Indirect Labour? (CO-02, Comprehension)
- 7.What is Bonus as per Halsey plan. (CO-02, Comprehension)
- 8.What is maximum Level of stock? (CO-02, Comprehension)
- 9.Cost per unit is Rs.40/-,Storage cost is 8%, cost of placing one order is Rs.150/-
What will be the value of Carrying cost? (CO-02, Comprehension)
- 10.What is Bin Card. (CO- 02, Comprehension)

Part B [Thought Provoking Questions]

Answer both the Questions. Each question carries FIVE marks.

(2Qx5M=10M)

11. Time Rate Rs. 120 per hour, standard time allowed to workers- 40 hours, actual time taken by the workers-36 hours. Calculate the total wages according to Halsey and Rowan Plan. (CO- 02,Comprehension)

12. The following details are available with reference for material A during the month of January 2022.

Jan 1	Opening Stock 200 Units at Rs 6/- per unit
Jan 2	Received 300 units at Rs4/- per unit
Jan 4	issued 250units
Jan 6	received 100 units at Rs4 per unit
Jan 7	issued 50 units
Jan 8	received 300 units at Rs2 per unit
Jan 10	Issued 200 units

Ascertain the stock value on 10 January by preparing Stores Ledger account under Simple Average Method. (CO-02,Comprehension)

Part C [Problem Solving Questions]

Answer the Question. This question carries TEN marks.

(1Qx10M=10M)

13.

Jan 1	Opening balance	500 units @ Rs. 8
Jan 5	Purchased	200 units @ Rs. 4
Jan12	Purchased	150 units @ Rs.4.10
Jan20	Purchased	300 units @ Rs.4.50
Jan25	Purchased	400 units @ Rs. 5
Jan 4	Issued	200 units
Jan10	Issued	400 units
Jan15	Issued	100 units
Jan19	Issued	100 units
Jan26	Issued	200units
Jan30	Issued	250 units

Following

transactions occur in the purchase and issue of a material:

Issues are to be priced on the principle of “First in First out” and “Last in First out”. Prepare stores ledger account in respect of the materials for the month of January.

(CO- 02.Comprehension)

6. Opening Raw Material 10,000, Closing raw Materials was 8,000 Total material purchased during the period was 38,000. Material Consumed during the period was _____.
(CO – 04, Comprehension)

7. Power consumption, maintenance cost, management cost, supervision cost are the example of _____.
(CO – 04, Comprehension)

a. Fixed cost B. Variable Cost C. Semi Variable Cost D. Historical Cost

8. X Ltd has a weekly consumption of 100 kgs of Raw materials on an average, What will be the Consumption per annum of this company.
(CO – 02, Comprehension)

A. 5000 Kgs B. 5100 Kgs C. 5200 Kgs D. 5300 Kgs

9. The time allowed for a certain job is 9 hours and the worker X completes it in 7 hours. The time rate is Rs. 100. Calculate the total wages of X under Halsey plan. The rate of incentive is 50%.
(CO – 02, Comprehension)

a. Rs. 900 b. Rs. 800 c. Rs. 700 d. Rs. 850

10. Calculate Prime Cost, Cost of Sales and Profit from the following details:

- Direct Materials Rs. 10,000
 - Direct Labor Rs. 4,000
 - Direct Expenses Rs. 500
 - Factory Expenses Rs. 1,500
 - Administrative Expenses Rs. 1,000
- (CO – 01, Knowledge)

Part B (Thought Provoking Questions)

Answer all the questions. Each question carries EIGHT marks. (5Qx8M=40M)

11. The following transactions took place in respect of a material item.

2nd March 2022 Received 200 Units of Rs. 2 each

March 10 Received 300 units of Rs. 2.4 per unit

March 15 issued 250 units

March 18 Purchased 250 Units of Rs. 2.6 per unit

March 20 Issued 200 units.

Prepare a stores ledger account under weighted average method.

(CO – 02, Comprehension)

16. From the following particulars, you are required to prepare a statement showing

- a. The Cost of materials used
- b. The Works Cost
- c. Total Cost

The percentage of works on cost to productive wages and The percentage of General on cost to Works Cost.

Particulars	Amount
Stock of Finished Goods on 31st December 2021	8000
Stock of Raw Materials on 31st December 2021	95000
Purchase of Raw Materials	65000
Wages (Productive)	475000
Sale of Finished Goods	1040000
Stock of Finished Goods 31. 12. 2022	674000
Stock of Raw Materials on 31. 12.2022	75000
Works overhead Charges	95000
Office and General Expenses	186000

The company is about to send a tender for a large plant. The costing department estimates that the materials required would cost Rs.84500/- and Wages to workmen for making the plant would cost Rs.68400/-. The tender is to be made at a net profit of 20% on the selling price.

Show what the amount of tender would be, if based on the above percentage?

(CO – 01, Knowledge)

17. The following data were obtained from the books of GSK Ltd for the half year ended 30th September 2021. Prepare an Overhead distribution summary.

	Production Departments			Service Departments	
	A	B	C	X	Y
Direct Wages in Rs.	7,000	6,000	5,000	1,000	1,000
Direct Materials in Rs.	3,000	2,500	2,000	1,500	1,000
Employees in Nos.	200	150	150	50	50

Electricity in Kwh.	8,000	6,000	6,000	2,000	3,000
Light Points in Nos.	10	15	15	5	5
Asset Values in Rs.	50,000	30,000	20,000	10,000	10,000
Area Occupied in Square yards	800	600	600	200	200

The Expenses for 6 months were:

Stores overhead: Rs.400

Depreciation: Rs.6,000

Motive Power : Rs.1,500

Repairs & Maintenance:Rs.1,200

Electric Lighting: Rs.200

General Overheads:Rs.10,000

Labor Welfare:Rs.3,000

Rent and Taxes:Rs.600

Apportion the expenses of Department X in the ratio of 4:3:3 and that of Department Y in the proportion of Direct wages, to Department A, B and C respectively.

(CO – 03, Comprehension)