



**PRESIDENCY UNIVERSITY
BENGALURU**

**SCHOOL OF COMMERCE
END TERM EXAMINATION - JAN 2023**

Semester : SEMESTER - III - 2021

Course Code : COM2009

Course Name : Sem III - COM2009 - Cost Accounting

Program : B. Com. / B.Com (Hons.)

Date : 12-JAN-2023

Time : 1.00PM - 4.00PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.

PART A

ANSWER ALL THE FOLLOWING QUESTIONS

10 X 2 = 20M

1. What do you mean by Cost Unit?
(CO1) [Knowledge]
2. What do you mean by Material Control?
(CO2) [Knowledge]
3. What is Contract Costing?
(CO3) [Knowledge]
4. Explain Marginal Costing?
(CO4) [Knowledge]
5. Give the meaning of Standard Costing.
(CO4) [Knowledge]
6. What do you mean by Budgetary Control?
(CO5) [Comprehension]
7. What do you mean by volume variance?
(CO5) [Comprehension]
8. What do you mean by unfavorable variance?
(CO6) [Comprehension]
9. What do you mean by Variable Cost?
(CO1) [Comprehension]
10. What do you mean by Cost Accounting Standards?
(CO2) [Comprehension]

PART B

ANSWER ALL THE FOLLOWING QUESTIONS

4 X 10 = 40M

11. The account of ABC manufacturers limited for the year ended 31st March 2021 shows the following details.

Particulars	Amount
Stock of materials on 1st of Jan 2021	6720
Materials purchased	150000
Materials return to suppliers	2000
Direct Labor	50000
Direct expenses	20000
Factory expenses	15300
Office and administrative expenses	8000
Selling and distribution expenses	7900
Stock of materials on 31st of December 2021	7720
Profit	10000

Find out: Materials consumed, Prime cost, work cost, cos for production, Total cost, and sales.

(CO1) [Comprehension]

12. From the following particulates prepare stores ledger account under FIFO method.

Jan 5th Purchases 500 units @ Rs.200
Jan 6th Issued 250 units
Jan 7th Purchases 200 units @ Rs.220
Jan 10th Issued 100 units
Jan 16th Purchases 200 units @ Rs.230
Jan 18th Issued 220 units
Jan 24th Purchases 150 units @ Rs.240
Jan 25th Issued 200 units
Jan 28th Issued 50 units.
Jan 29th Purchased 300 units @ Rs.240
Jan 30th Issued 50 units.

(CO2) [Comprehension]

13. Prepare stores ledger account, pricing issued at Simple average.

15.03.2019 Receipts 500 units @ Rs.4
18.03.2019 Receipts 300 units @ Rs.2.50
25.03.2019 Issues 250 units
27.03.2019 Receipts 300 units @ Rs.2.40
28.03.2019 Receipts 250 units @ Rs.2.60
29.03.2019 Issues 100 units
30.03.2019 Issues 150 units

(CO3) [Comprehension]

14. On April 1st, 2020, ABC Limited started building a party hall at a contract price of Rs 6,00,000 during the year ended 31st March 2021 they incurred the following expenses.

Materials purchased directly	50000
Materials issued from stores	10000
Direct wages	42000
Plant	10000
Overhead charges	3000

Work to the value of Rs 120000 had been certified on 31st March 2021 of which 75% had been received in cash. The cost of work completed but not certified was 10500. Materials valued at Rs 5000 were on hand at site. After allowing for depreciation at 20% per annum on plant, prepare contract account showing the profit earned to date and the amount of profit in the company's accounts on 31st March 2021. Also prepare a work in progress account.

(CO4) [Comprehension]

PART C

ANSWER ALL THE FOLLOWING QUESTIONS

2 X 20 = 40M

15. ABC Ltd., is a manufacturing company having three production departments, 'A', 'B' and 'C' and two service departments 'X' and 'Y'. The following is the budget for December 2022:

Particulars	TOTAL	A	B	C	X	Y
Direct material		1,00,000	2,00,000	4,00,000	2,00,000	1,00,000
Direct wages		5,00,000	2,00,000	8,00,000	1,00,000	2,00,000
Factory rent	4,00,000					
Power	2,50,000					
Depreciation	1,00,000					
Other overheads	9,00,000					
Additional information:						
Area (Sq. ft.)		500	250	500	250	500
Capital value of assets (' lakhs)		20	40	20	10	10
Machine hours		1,000	2,000	4,000	1,000	1,000
Horsepower of machines		50	40	20	15	25

A technical assessment of the apportionment of expenses of service departments is as under:

	A	B	C	X	Y
Service Dept. 'X' (%)	45	15	30	–	10
Service Dept. 'Y' (%)	60	35	–	5	–

Required:

- PREPARE a statement showing distribution of overheads to various departments.
- PREPARE a statement showing re-distribution of service departments expenses to production departments using the Repeated Distribution method.

(CO1) [Comprehension]

16. Prepare a statement showing the pricing of issues, based on simple average method and weighted average method from the following information pertaining to material A.

1-Jan	purchased 100 units at Rs 10 each
2	purchase 200 units at Rs 15 each
5	Issued 150 units
7	purchased 300 units at Rs 12 each
10	purchased 300 units at RS11 each
13	issued 200 units
18	Issued 150 units
20	purchased 100 units at Rs 11 each
25	Issued 150 units
26	purchased 300 units at Rs11 each
27	Issued 150 units
28	Issued 50 units
29	purchased 100 units at Rs 10 each
30	Issued 150 units

(CO3) [Application]
