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**PRESIDENCY UNIVERSITY
BENGALURU**

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

Semester : Semester III - 2021

Course Code : COM2009

Course Name : Sem III - COM2009 - Cost Accounting

Program : B.Com LLB (Honors) / BA LLB (Honors)

Date : 13-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. Define the term cost unit.
(CO1) [Knowledge]
2. Differentiate between direct cost and indirect cost.
(CO1) [Knowledge]
3. Describe two techniques for inventory valuation.
(CO2) [Knowledge]
4. Identify the basis of apportionment for the below overheads.
a. Rent
b. Depreciation
(CO3) [Knowledge]
5. Classify the two methods of overhead distribution
(CO3) [Knowledge]
6. Explain the term Bincard.
(CO2) [Knowledge]
7. Define the term Apportionment of overheads.
(CO3) [Knowledge]
8. Define contract costing.
(CO4) [Knowledge]
9. Describe the meaning of Variance analysis.
(CO5) [Knowledge]
10. Define Marginal costing.
(CO5) [Knowledge]

PART B

ANSWER ALL THE FOLLOWING QUESTIONS

4 X 10 = 40M

11. Explain the scope of Cost Accountancy.

(CO1) [Comprehension]

12. Define the following terms:

- (i) fixed cost and give three examples
- (ii) Variable cost and give three examples
- (iii) Semi-variable cost and give three examples

(CO2) [Comprehension]

13. Classify the following expenses by functions of overhead

- a. Depreciation on plant
- b. Office telephone charges
- c. Salary paid to salesmen
- d. Compensation to the Salesman
- e. Delivery van expenses
- f. Rent of finished goods warehouse
- g. General manager's salary
- h. Supervisory labour
- i. Factory power
- j. Commission on sales

(CO3) [Comprehension]

14. On April 1st, 2020, ABC Limited started building a party hall at a contract price of Rs 8,00,000 during the year ended 31st March 2021 they incurred the following expenses.

Materials purchased directly	60000
Materials issued from stores	20000
Direct wages	42000
Plant	20000
Overhead charges	6000

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. Identify the appropriate basis for the following overheads while preparing the overhead distribution summary.
- (a) Factory Rent
 - (b) Fire Insurance
 - (c) Electric Light
 - (d) Steam
 - (e) Creche Expenses
 - (f) Store Services Expenses
 - (g) E.S.I
 - (h) Municipal Rent, Rates, and taxes
 - (i) Electric Light
 - (j) Insurance on Building
 - (k) Supervision
 - (l) Depreciation
 - (m) Repair to plant
 - (n) Amenities to staff
 - (o) Motive power
 - (p) Employer's Liability for insurance
 - (q) General overheads
 - (r) Insurance on plant and machinery
 - (s) Canteen expenses
 - (t) Welfare

(CO3) [Application]

16. Prepare a statement showing the pricing of issues, based on the FIFO method and LIFO method from the following information pertaining to material ABC.

1-May	purchased 580 units at Rs 50 each
3	purchase 400 units at Rs 55 each
5	Issued 150 units
8	purchased 300 units at Rs 60 each
10	purchased 300 units at Rs55 each
13	Issued 200 units
18	Issued 250 units
20	purchased 100 units at Rs 70 each
25	Issued 150 units
26	purchased 300 units at Rs50 each
27	Issued 150 units
28	Issued 100 units
29	purchased 100 units at Rs 40 each
30	Issued 180 units

(CO2) [Application]
