

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

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

Semester : Semester II - 2022

Course Code : BCL2009

Course Name : Sem II - BCL2009 - Cost Accounting

Program : BCL

Date : 16-JUN-2023

Time : 1.00PM - 4.00PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Scientific and non-programmable calculator are permitted.
- (iii) Do not write any information on the question paper other than Roll Number.

ANSWER ALL THE QUESTIONS

(10 X 10 = 100M)

1. What is job costing? Differentiate between job costing and contract costing.
(CO4) [Comprehension]
2. The budgeted output of ABC Company at the optimum capacity of 6,400 units per annum amounts to Rs. 1, 76,048 as detailed below:

Particulars	Rs.
Fixed Costs	20,688
Variable Costs:	
Power	1,440
Repairs	1,700
Miscellaneous	540
Direct Material	49,280
Direct Labour	1, 02,400
Total cost	1, 76,048

The company decides to have a flexible budget with a production target of 3,200 and 4,800 units (the actual quantity proposed to be produced being left to a later date before commencement of the budget period) Prepare a flexible budget for production levels of 50% and 75%. Assuming, selling price per unit is maintained at Rs. 40 as at present; indicate the effect on net profit. Administrative, selling and distribution expenses continue at Rs.3, 600.

(CO5) [Comprehension]
3. Explain Notional Profit and Estimated Profit with examples.
(CO4) [Application]

4. On what basis following overheads are apportioned:
- Factory rent, rates and taxes
 - Repairs and maintenance of factory building
 - Insurance of factory building
 - Repairs and maintenance of plant and machinery
 - depreciation on machinery
 - Insurance of stock
 - Supervision
 - Provident fund contribution
 - Lighting and heating
 - Canteen and staff welfare expenses

(CO3) [Comprehension]

5. Prepare a Flexible budget for the overheads of the XYZ Ltd on the basis of the following data and ascertain the overhead rates at 50% and 60% capacity.

Overheads:	at 60% capacity
Variable Overheads:	
Indirect Material -	6,000
Labour -	18,000
Semi-variable overheads:	
Electricity: (40% Fixed & 60% variable)	30,000
Repairs: (80% fixed & 20% Variable)	3,000
Fixed overheads	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000

(CO5) [Comprehension]

6. S. Will Ltd. has two production departments A, B, and one service department S. The actual costs for a period are as follows:

Power	1750	Sundries	1600
Lighting	1600	Depreciation on Machinery	6000
Rent and rates	6000		
Indirect wages	4000		
Particulars	Production Department A	Production Department B	Service Department S
Working Hours	4000	3000	2000
Direct Wages	3000	2000	3000
Cost of Machinery	75000	50000	25000
H.P. of Machinery	60	30	10
Light Points	18	12	10
Floor Area (sq. ft.)	1000	1200	800

Apportion the costs of the various departments on most equitable basis:

(CO3) [Application]

7. A manufacturer presents the following details about the various expenses incurred by it.

Raw material consumed 70000

Carriage inward 2000

Factory rent 2400

Bad debts 440

Power 4600

Postage expenses 465

Salesman expenses 3400

Direct wages 85000

Factory manager salary 80000

Audit fee 350

Printing & stationery 620

Legal expenses 350

Carriage outwards 1540

Indirect material 560

Depreciation of furniture 150

Repairs on plant & machinery 1200

Advertisement 500

General manager salary 36000

Depreciation of plant & machinery 1240

Classify the above expenses under various elements of cost showing separately the total expenditure under each element by making a cost sheet.

(CO1) [Comprehension]

8. A business requires products like raw materials and services from vendors for successful operations. Searching, negotiating and buying from vendors is a part of the purchasing process. Considering this statement explain the steps involved in the purchase procedure.

(CO2) [Comprehension]

9. Explains the steps to be followed in distribution of overheads.

(CO3) [Application]

10. Define contract costing? Explain the features of contract costing.

(CO4) [Comprehension]