

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF COMMERCE
END TERM EXAMINATION - JAN 2024**

Semester : Semester III - 2022
Course Code : COM2009
Course Name : Cost Accounting
Program : B.Com. Honors

Date : 04-JAN-2024
Time : 1:00 PM - 4:00 PM
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.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

5 X 2M = 10M

1. Calculate the prime cost from the following information.
Direct material = ₹ 25,000
Direct labour = ₹ 35,000
Direct expenses = ₹45,000
(CO1) [Knowledge]
2. State the meaning of Bin card and stores ledger.
(CO2) [Knowledge]
3. Identify and explain two examples of fixed overhead costs.
(CO3) [Knowledge]
4. List out two features of Contract costing.
(CO4) [Knowledge]
5. Identify and discuss one advantage and one limitation of implementing budgetary control.
(CO5) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

5 X 10M = 50M

6. Imagine you are the financial manager of a manufacturing company. Describe a scenario where you need to utilize both management accounting and financial accounting to make informed decisions. Highlight the specific types of information and reports from each accounting discipline that would be essential for addressing different aspects of the scenario. Additionally, discuss how the information from both management accounting and financial accounting would contribute to strategic decision-making and operational control within the company.

(CO1) [Comprehension]

7. From this information provided, you are required to prepare a statement showing how the issues would be priced if the FIFO method is followed.

2018-January-1	Opening Balance 200 units at ₹ 20 each
2018-January-2	Received 400 units at ₹ 15 each.
2018-January-3	Received 500 units at ₹ 25 each.
2018-January-4	Issued 400 units
2018-January-6	Issued 150 units
2018-January-8	Received 500 units at ₹ 30 each
2018-January-9	Issued 200 units
2018-January-12	Received 600 units at ₹ 25 each
2018-January-14	Received 350 units at ₹ 10 each
2018-January-15	Issued 100 units
2018-January-20	Issued 150 units

(CO2) [Comprehension]

8. What basis would you follow for the distribution of the following overhead expenses to the department?

- a. Rent
- b. Depreciation
- c. Direct wages
- d. Direct material
- e. Supervision
- f. Canteen expenses
- g. Repairs to plant
- h. Stores services expenses

(CO3) [Comprehension]

9. The following expenditure was incurred on a contract of ₹ 12,00,000 for the year ending 31-12-2017.

Material	- ₹ 2,40,000
Wages	- ₹ 3,28,000
Plant	- ₹ 40,000
Overheads	- ₹ 17,200

Cash received on account of the contract to 31st December 2017 was ₹ 4,80,000, being 80% of the work certified (₹6,00,000). The value of materials in hand was ₹ 20,000. The plant had undergone 20% depreciation. Prepare Contract Account.

(CO4) [Comprehension]

10. ABC Manufacturing Company implemented budgetary control to achieve specific objectives. Describe five primary objectives of budgetary control within the manufacturing industry, citing examples from the case study that illustrate the company's efforts toward achieving these objectives.

(CO5) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS

2 X 20M = 40M

11. The Sales and profit of KLN Ltd. During the two years were as given below.

Year	Total Sales (₹)	Total cost (₹)
2015	3,10,000	2,70,000
2016	3,50,000	3,00,000

You are required to compute:

1. P/V Ratio
2. Break-even point
3. Sales required to reach a profit of ₹ 50,000
4. Profit made when sales amount is ₹ 3,60,000
5. The margin of safety when sales are ₹ 3,60,000

(CO5) [Application]

12. The Indian Construction Company Ltd has undertaken the construction of a bridge over the River Yamuna for a Cor operation. The value of the contract is ₹ 15,00,000 subject to retention of 20% until one year after the certified completion of the contract, and final approval of the Corporation's engineer.

The following are the details as shown in the books on 30th June,-2017.

Details	Amount(₹)
Labour on site	4,05,000
Material direct to site	4,20,000
Materials from stores	81,200
Hire and use of plant	12,100
Direct expenses	23,000
General Expenses	37,100
Material on hand on June 30th, 2017	6,300
Wages accrued on June 30th, 2017	7,800
Direct expenses accrued on June 30th, 2017	1,600
Work certified	11,00,000
Uncertified work	16,500
cash received on account	8,80,000

Prepare (a) Contract Account, (b) Contractee's Account, and (c) show how it would appear in the Balance sheet

(CO4) [Application]