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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

 **MAKE UP EXAMINATION – SEP 2023**

**Course Code**: MGT141

**Course Name**: Cost and Management Accounting

**Program &Sem**:

**Date**: 04.10.2023

**Time**: 9.30AM – 12.30PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *All Questions are Mandatory.*

**Part A [Memory Recall Questions]**

**Answer all the Questions. Each question carries TWO marks. (10Qx 2M=20M)**

1. Explain the meaning of cost unit? **(Knowledge)**
2. What do you mean by factory overheads? **(Knowledge)**
3. Raw Materials Consumed is calculated using which formula? **(Knowledge)**
4. If the profit on sales is 25% what is the profit on cost? **(Knowledge)**
5. Mention any 2 examples of Administrative overheads? **(Knowledge)**
6. Explain the meaning of overheads? **(Knowledge)**
7. What do you mean by Material Control? **(Knowledge)**
8. What do you mean by Cost Centre? **(Knowledge)**
9. What do you mean by Direct Labour? **(Knowledge)**
10. Explain the meaning of cost sheet? **(Knowledge)**

**Part B [Thought Provoking Questions]**

**Answer all the Questions. Each question carries TEN marks. (4Qx10M=40M)**

1. What do you mean by Piece rate system? Explain its advantages and disadvantages. **(Comprehension**)
2. What is the cost accounting cycle, and what are the key stages involved in the process?

**(Comprehension)**

1. The account of XYZ manufacturers limited for the year ended 31st March 2023 shows the following details. **(Application)**

|  |  |
| --- | --- |
| **Particulars** | **Amount** |
| Stock of materials on 1st of Jan 2021 | 600000 |
| Materials purchased | 1500000 |
| Materials return to suppliers | 20000 |
| Direct Labor | 5000000 |
| Direct expenses | 200000 |
| Factory expenses | 153000 |
| Office and administrative expenses | 80000 |
| Selling and distribution expenses | 79000 |
| Stock of materials on 31st of December 2021 | 77200 |
| Profit | 100000 |

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

1. Explain in detail cash flow from operating activity, cash flow from investing activity and cash flow from Financing activity. **(Application)**

**Part C [Problem Solving Questions]**

**Answer all the Questions. Each question carries 20 marks. (2Qx20M=40M)**

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

|  |  |
| --- | --- |
| 1-Jun | purchased 280 units at Rs 50 each |
| 3 | purchase 500 units at Rs 55 each |
| 5 | Issued 150 units |
| 7 | purchased 300 units at Rs 60 each |
| 10 | purchased 300 units at Rs55 each |
| 12 | Issued 200 units |
| 18 | Issued 250 units |
| 19 | purchased 100 units at Rs 70 each |
| 24 | Issued 150 units |
| 25 | purchased 300 units at Rs50 each |
| 27 | Issued 150 units |
| 28 | Issued 100 units |
| 29 | purchased 100 units at Rs 45 each |
| 30 | Issued 150 units |

1. A factory has three production departments, M, N and O and two service departments X&Y. The following overheads and other information are extracted from the books for the month of January 2023.

|  |  |
| --- | --- |
| **Expenses** | **Amount** |
| Rent | 80000 |
| Repair | 36000 |
| Depreciation | 22000 |
| Lighting | 3000 |
| Supervision | 25000 |
| Fire insurance for stock | 5000 |
| ESA contribution | 15000 |
| Power | 60000 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **particulars** | **M** | **N** | **O** | **X** | **Y** |
| Area square ft | 500 | 300 | 200 | 150 | 100 |
| Number of workers | 300 | 200 | 150 | 50 | 40 |
| wages | 18000 | 15000 | 12000 | 9000 | 6000 |
| value of plant | 50000 | 40000 | 30000 | 20000 |  |
| stock value | 50000 | 30000 | 20000 |  |  |
| horsepower of plant | 600 | 400 | 300 | 150 | 50 |

Allocate or apportion the overheads among the various departments on suitable basis. Also show the secondary distribution under:

1. direct distribution method by assuming services rendered from Department X and Y over the production department based on 4;3;1 and 5;3;2.
2. A technical assessment of the apportionment of expenses of service departments is as under:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **M** | **N** | **O** | **X** | **Y** |
| Service Dept. ‘X’ (%) | 45 | 15 | 30 | – | 10 |
| Service Dept. ‘Y’ (%) | 60 | 35 | – | 5 | – |

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