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 **Presidency University**

 **Bengaluru**

 **SCHOOL OF COMMERCE**

 **Make-Up Examinations, July 2024**

**Semester**: II

**Course Code**: BCL102

**Course Name**: Cost Accounting

**Program & Sem**: B.Com

**Date**: 03 / July / 2024

**Time**: 9:30 AM -12:30 PM

**Max Marks**: 100

**Weightage**: 50%

 **Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FOUR Questions. (4 Q x 5 M = 20 M)**

1. Analyze and compare the variances between Cost Accounting and Financial Accounting.

 (C.O.No.1-5) [Bloom’s level]

 2. Prepare a Cost Sheet for A Co., from the following information provided for the year ending 31.3.2017

|  |  |
| --- | --- |
| Direct material | 200000 |
| Chargeable expenses | 100000 |
| Factory overhead | 240000 |
| Office and administrative overhead | 80000 |
| Selling and distribution overhead | 59000 |
| Sales | 900000 |

 (C.O.No.1-5) [Bloom’s level]

3. What do you understand by the term overheads? Show the classification of overheads in a diagram. (C.O.No.1-5) [Bloom’s level]

4. The following particulars relate to a manufacturing company which having three production departments A B and C and two service departments X and Y.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Overheads** | **A** | **B** | **C** | **X**  | **Y** |
| Total overheads as per distribution summary | 6,500 | 8,000 | 3,500 | 5,000 | 3,000 |

The company decided to charge the service departments cost on the basis of following percentages.

|  |  |  |
| --- | --- | --- |
|  |  **Production Departments** |  **Service Deparments** |
|  |  **A** |  **B** |  **C** |  **X** |  **Y** |
| **X Dept** | 40% | 30% | 15% |  -- |  15% |
| **Y Dept** | 30% | 40% | 20% | 10% |  -- |

Find out the total overheads for production departments charging service departments costs to production departments on Repeated Distribution Method.

 (C.O.No.1-5) [Bloom’s level]

5.Answer the following questions,

 Calculate the earning of Mr. Ashok under :

* Time rate system
* Piece rate system from the following information.

 Normal wages per day of 8 hours ₹24

 Actual hours worked by Mr Ashok – 12 Hours

 Standard output per day of 8 hours – 20 hours

 Actual output turned out by Mr Ashok – 32 units.

 (C.O.No.1-5) [Bloom’s level]

6. The following transaction occur in the purchase and issue of a material:

**Jan** 2 Purchased 4000 units @ Rs 4.00 per unit
     20 Purchased 500 units @ Rs. 5.00 per unit
**Feb** 5 Issued 2000 units
     10 Purchased 6000 units @ Rs 6.00 per unit.
     12 Issued 4000 units.
**March** 2 Issued 1000 units
           5 Issued 2000 units
         15 Purchased 4500 units @ Rs 5.50 per unit
         20 Issued 3000 units
From the above, prepare the stores ledger account using **Simple Average method.**

 (C.O.No.1-5) [Bloom’s level]

7.Write a note on :

a) ABC Costing

b) Kaizen Costing (C.O.No.1-5) [Bloom’s level]

**Part B**

 **Answer any FIVE Questions. (5 Q x 10 M = 50 M)**

8. Discuss the classification of costs, providing detailed explanations and relevant examples at each cognitive level.

 (C.O.No.1-5) [Bloom’s level]

9. The following transaction of Kumar and Company occur in the purchase and issue of a material:

**Mar** 2 Purchased 4000 units @ Rs 4.00 per unit

 20 Purchased 500 units @ Rs. 5.00 per unit

**April** 5 Issued 2000 units

 10 Purchased 6000 units @ Rs 6.00 per unit.

 12 Issued 4000 units.

**May** 2 Issued 1000 units

 5 Issued 2000 units

 15 Purchased 4500 units @ Rs 5.50 per unit

 20 Issued 3000 units

From the above, prepare the stores ledger account using Both **Simple Average and Weighted average method.**

 (C.O.No.1-5) [Bloom’s level]

10. On what basis following overheads are apportioned:
a) Factory rent, rates and taxes
b) Repairs and maintenance of factory building
c) Insurance of factory building
d) Repairs and maintenance of plant and machinery
e) depreciation on machinery
f) Insurance of stock
g) Supervision
h) Provident fund contribution
i) Lighting and heating
j) Canteen and staff welfare expenses

 (C.O.No.1-5) [Bloom’s level]

11. Using the imaginary financial data for Sunshine Industries Ltd. for the year 2023, apply cost accounting principles to prepare a statement showing the following:

a) Determine the Prime Cost.

b) Calculate the Factory Cost.

c) Determine the Cost of Production.

d) Calculate the Cost of Sales.

e) Determine the Net Profit.

 (C.O.No.1-5) [Bloom’s level]

12. Answer the following questions:
a) What do you understand by cost accounting?
b) Explain any two advantages of cost accounting.
c) What is the main difference between direct expenses and indirect expenses?
d) What is carriage inward?
e) Supervisors wages come under which head of cost sheet?

 (C.O.No.1-5) [Bloom’s level]

13. Elucidate how can a manufacturing company analyze and apply recent trends in cost accounting to enhance operational efficiency and improve financial decision-making?

 (C.O.No.1-5) [Bloom’s level]

14. 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. (C.O.No.1-5) [Bloom’s level]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

15. Following data have been extracted from the books of Sunshine industries Ltd. For the year 2023.

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Amount** | **Particulars** | **Amount** |
| Opening stock of Raw material | 25,000 | Indirect consumption of material | 500 |
| Purchase of Raw material | 85,000 | Salary: Office | 2,500 |
| Closing stock of raw material | 40,000 | Salary: Salesmen | 2,000 |
| Carriage inward | 5,000 | Other factory expenses | 5,700 |
| Wages- Direct | 90,000 | Other office expenses | 900 |
| Wages- Indirect | 10,000 | Managers remuneration | 12,000 |
| Rent and rates: Factory | 5,000 | Bad debts written off | 1,000 |
| Rent and rates: Office | 500 | Advertisement Expenses | 2,000 |
| Depreciation: Plant and machinery | 1500 | Travelling expenses of salesmen | 1,100 |
| Depreciation: Office furniture | 100 | Carriage and fright outward | 1,000 |
| Advance income tax paid | 15,000 | Sales | 2,50,000 |
|  |  | Cash Discount | 5,000 |

The manager has the overall charge of the company and his remuneration is to be allocated as ₹ 4,000 to the factory, ₹ 2,000 to the office and ₹ 6,000 to the selling operations.

From the above particulars prepare a statement showing a) Prime Cost, b) Factory Cost, c) Cost of Production. d) Cost of sales and e) Net profit.

 (C.O.No.1-5) [Bloom’s level]

16. Discuss in detail about the implementation of Activity-Based Costing (ABC) analysis benefit or challenge the operational and financial processes within an organization?

 (C.O.No.1-5) [Bloom’s level]

17. From the following information work out of the production hour rate of recovery of overheads in department P1, P2 and P3:

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Total** |  **Production Department** | **Service Department** |
|  **P1** |  **P2** |  **P3** |  **S1** |  **S2** |
| Rent | 1,000 | 200 | 400 | 150 | 150 | 100 |
| Electricity | 200 | 50 | 80 | 30 | 20 | 20 |
| Fire Insurance | 400 | 80 | 160 | 60 | 60 | 40 |
| Plant depreciation | 4,000 | 1,000 | 1,500 | 1,000 | 300 | 200 |
| Transport | 400 | 50 | 50 | 50 | 100 | 150 |
| Estimated Working hours |  | 1,000 | 2,500 | 1,800 |  |  |

Expenses of service departments S1 and S2 are apportioned as under:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  **P1** |  **P2** |  **P3** |  **S1** |  **S2** |
| S1 | 30% | 40% | 20% |  --- |  10% |
| S2 | 10% | 20% | 50% |  20% |  --- |

 (C.O.No.1-5) [Bloom’s level]