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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**MAKE-UP EXAMINATION JULY 2024**

**Semester**: III

**Course Code**: COM2009

**Course Name**: Cost Accounting

**Program** : B.Com

**Date**: 01 JULY 2024

**Time**: 9**:**30 am – 12.30 pm

**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 FIVE Questions. (5 Q x 2 M = 10 M)**

1. List out two examples of Fixed Cost. (CO1) [Knowledge]

2. State the three objectives of Costing. (CO1) [Knowledge]

3. Calculate the prime cost from the following information. (CO1) [Knowledge]

Direct material = ₹ 25,000

Direct labour = ₹ 35,000

Direct expenses = ₹45,000

4. Expand the term LIFO. (CO2) [Knowledge]

5. Differentiate between fixed and variable overheads. (CO3) [Knowledge]

6. List out two features of contract costing. (CO4) [Knowledge]

7. Define budgetary control. (CO5) [Knowledge]

**Part B**

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

8. Ascertain the prime cost, work cost, cost of production, total cost, and profit from the

undermentioned figures:

Direct Materials ₹8000

Direct Labour ₹6000

Factory Expenses ₹4000

Administration Expenses ₹2000

Selling Expenses ₹800

Sales : ₹55000

(CO1)[ Comprehension]

9. From the following particulates prepare stores ledger account under LIFO method.

|  |
| --- |
| FEB 5th Purchases 4000 units @ Rs.200 |
| FEB 6th Issued 2500 units |
| FEB 7th Purchases 2000 units @ Rs.220 |
| FEB 10th Issued 1000 units |
| FEB 16th Purchases 3000 units @ Rs.210 |
| FEB 18th Issued 2200 units |
| FEB 24th Purchases 1500 units @ Rs.240 |
| FEB 25th Issued 2000 units |
| FEB 28th Issued 500 units. |
| FEB 29th Purchased 4000 units @ Rs.240 |
| FEB 30th Issued 500 units. |

(CO2) [Comprehension]

10. What basis would you follow for the distribution of the following overhead expenses to the

department?

1. Rent
2. Depreciation
3. Direct wages
4. Direct material
5. Supervision
6. Canteen expenses
7. Repairs to plant
8. Stores services expenses

(CO3) [Comprehension]

11. Zell Construction Company utilizes both contract costing and job costing methodologies. Explain the fundamental differences between contract costing and job costing within the context of the construction industry, citing examples from the company's projects to illustrate these differences.

(CO4) [Comprehension]

12. XYZ Company has the following details for the financial year 2023:

Total Sales Revenue: ₹ 800,000

Variable Costs: ₹ 400,000

Fixed Costs: ₹ 250,000

Using the provided figures, create a statement of profit or loss utilizing the principles of marginal costing. Present the information in a tabulated form, detailing the breakdown of total sales revenue, variable costs, contribution margin, fixed costs, and the resulting net profit/loss for the period.

(CO5) [Comprehension]

13. Explain the advantages and disadvantages of Cost Accounting. (CO1) [Comprehension]

14. The following expenditure was incurred on a contract of ₹ 15,00,000 for the year ending 31-12-

2017.

Material - ₹ 2,50,000

Wages - ₹ 3, 48,000

Plant - ₹ 40,000

Overheads - ₹ 18,200

Cash received on account of the contract to 31st.December 2017 was ₹ 5,80,000, being 80% of the work certified( ₹7,00,000). The value of materials in hand was ₹ 20,000. The plant had undergone 20% depreciation. Prepare Contract Account.

(CO4) [Comprehension]

**Part C**

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

15 . The account of XYZ manufacturers limited for the year ended 31st March 2021.

shows the following details.

|  |  |
| --- | --- |
| **Particulars** | **Amount (**₹) |
| Stock of materials on 1st of Jan 2021 | 8720 |
| Materials purchased | 160000 |
| Materials return to suppliers | 2500 |
| Direct Labour | 55000 |
| Direct expenses | 21000 |
| Factory expenses | 15500 |
| Office and administrative expenses | 8500 |
| Selling and distribution expenses | 7800 |
| Stock of materials on 31st of December 2021 | 7720 |
| Profit | 12000 |

Prepare cost sheet of XYZ Manufacturer Limited (CO1) [Application]

16. From this information provided, you are required to prepare a statement showing how the

issues would be priced if the FIFO &LIFO method is followed.

|  |  |
| --- | --- |
| 2018-January-1 | Opening Balance 300 units at  ₹ 25 each |
| 2018-January-2 | Received 500 units at ₹ 15 each. |
| 2018-January-3 | Received 600 units at ₹ 25 each. |
| 2018-January-4 | Issued 500 units |
| 2018-January-6 | Issued 150 units |
| 2018-January-8 | Received 700 units at ₹ 30 each |
| 2018-January-9 | Issued 300 units |
| 2018-January-12 | Received 600 units at ₹ 25 each |
| 2018-January-14 | Received 450 units at ₹ 10 each |
| 2018-January-15 | Issued 200 units |
| 2018-January-20 | Issued 250 units |

(CO2) [Application]

17. 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 ₹ 16,00,000 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 | 4,55,000 |
| Material direct to site | 4,25,000 |
| Materials from stores | 81,500 |
| Hire and use of plant | 12,300 |
| Direct expenses | 23,500 |
| General Expenses | 37,300 |
| Material on hand on June 30th, 2017 | 6,500 |
| Wages accrued on June 30th, 2017 | 7,900 |
| Direct expenses accrued on June 30th, 2017 | 1,800 |
| Work certified | 11,50,000 |
| Uncertified work | 16,000 |
| cash received on account | 8,90,000 |

Prepare (a) Contract Account, (b) Contractee's  Account

(CO4) [Application]