

**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND**  
**ECONOMICS, PONDA-GOA**  
**B.COM. (SEMESTER – VI) EXAMINATION, AUGUST 2020**  
**ADVANCED COST ACCOUNTING-I (DSE 5)**

**Duration:- 2 Hours**

**Marks: 30**

Instructions: 1) Answer any five sub questions from Q.No.1 carrying 2 marks each.  
2) Answer any four sub questions from Q.No.2 carrying 5 marks each.

Q I) Answer any five of the following. Each question carries 2 marks.

- a) Enlist any four objectives of Job Order Costing.
- b) To which industries operating costing is applicable? Why?
- c) What do you mean by Job Order Costing? Explain in short.
- d) List out the major causes of difference between cost accounts and financial accounts.
- e) What do you mean by over absorption of overheads in cost accounting?
- f) Enlist any four elements of cost control scheme.
- g) What are the main objectives of hotel costing?
- h) What do you mean by Memorandum Reconciliation Account?

Q II) Answer the following any four. Each question carries 5 marks.

A. Machine Ltd. is committed to supply 48,000 bearings per annum to their customers on a steady basis. It is estimated that it costs ₹ 2.40 as inventory holding cost per annum per bearing and that the set up cost per run of bearings manufactured is ₹ 324/-.

(1) What would be the optimum run size for bearings manufactured.

B. The Profit shown in financial accounts was ₹ 1,12,870/- and for the same period the cost accounts showed the profit of ₹ 86,180/- Examination of the accounts showed the following differences.

	<b>Cost Accounts (₹)</b>	<b>Financial Accounts (₹)</b>
Depreciation	88,260	1,10,200
<b><u>Stock Valuation</u></b>		
Opening Stock	2,75,100	2,68,400
Closing Stock	1,85,180	1,97,200
Profit Sale of assets		8,500
Dividend Income		26,350
Rent Charged	32,500	

Reconcile the Profit figures between the two accounts.

contd....2/-

C. From the following information, calculate cost of Job No. 501 and price for the job to give a Profit of 20% of selling price.

Direct Materials @ ₹ 40,100

Direct Wages

Dept A - 600 hours @ ₹ 30/- per hour

Dept B - 400 hours @ ₹ 20/- per hour

Variable Overheads are as follows

Dept A - ₹ 50,000 for 5,000 hours

Dept B - ₹ 30,000 for 1,500 hours

Fixed Overheads are estimated at ₹ 2,00,000 for 10,000 working hours.

D. From the following data, calculate the cost per Km running of the vehicle.

Value of Vehicle	₹ 20,00,000
Road Licence per year	₹ 30,000
Insurance Charges per year	₹ 24,000
Garage Rent per year	₹ 60,000
Drivers Wages per month	₹ 20,000
Cost of Diesel per litre	₹ 70/-
Kms run Per litre	8 kms
Tyre & Maintenance cost per Km	₹ 5/-
Estimated life of vehicle	2,00,000 Kms
Estimated Running (Annual) in Kms	20,000

E. Enlist and explain the various principles of operating costing.

F. Explain the various techniques involved in Cost Reduction.

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