

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERECE AND
ECONOMICS, PONDA-GOA
B.COM CBCS (SEMESTER--V) EXAMINATION, JULY 2021
COST ACCOUNTING (DSE 1)

Duration: 2 Hours

Marks: 30

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- Instructions:** 1) All questions are **compulsory**.
2) Figures to the right indicate the **full marks** allotted to the questions.
3) **Give working notes wherever necessary.**

Q.1) Answer any five from the following: (5x2=10)

- a) Cost accounting
- b) Fixed cost
- c) Types of purchase system
- d) Material control
- e) Stores control
- f) Functions of the store keeper
- g) Last in First out method
- h) Highest in First out method

Q.2) Answer any four from the following: (4x5=20)

- a) Define cost and state the objectives of cost accounting.
- b) PQR Ltd. provides the following information about its material 'S' relating to the year ended 2020;
Purchased 20,000 units at ₹ 10 each
Trade discount – 3%
Goods and Services Tax - 18%
Cash discount – 2% (If the bill is paid within 15 days)
Interest – 12% (If the bill is not paid within 15 days)
Transport charges – ₹ 800
Loading and unloading charges – ₹ 600
Stores overheads – ₹ 300
The company pays 50% of the bill within 15 days. Calculate the total cost and cost per unit of the material 'S' from the above information.
- c) Raj Ltd. manufactures and sells a product which requires the material 'R'. The following information was collected about the material 'R' for the year ended 2020:
Re – order period – 6 to 10 days
Normal consumption – 100 units
Minimum consumption – 50 units
Maximum consumption – 150 units
Re-order quantity – 300 units
Compute: i) Re-order level, ii) Safety stock Level and
iii) Maximum stock level.
- d) Calculate the Economic Ordering Quantity for a product of Revati Ltd from the following information
Annual consumption – 6,000 units
Cost of material per unit – ₹ 20
Cost of placing an order – ₹ 60
Annual carrying cost – 10% of inventory value

e) Prepare a stores ledger under the first-in-first out method from the following transactions in June 2021 of material 'X' of XYZ Ltd.:

Date	Transactions
01-06-2021	Balance of 300 kgs at ₹ 7 each.
05-06-2021	Purchased 200 kgs at ₹ 8 per kg.
07-06-2021	Issued 400 kgs.
10-06-2021	Received 400 kgs at ₹ 9 each.
11-06-2021	Returned to vendor 10 kgs at ₹ 8 per kg.
12-06-2021	Issued 300 kgs

The stock verification report revealed a shortage of 2 kgs on 15th June, 2021.

f) Prepare a stores ledger under the Standard Price Method from the following transactions;

Date	Transactions
01-05-2021	Balance 400 kgs at ₹ 4 per kg
05-05-2021	Purchased 600 kgs at ₹ 4.80 each
10-05-2021	Issued 500 kgs
15-05-2021	Received 300 kgs at ₹ 5.20 per kg
20-05-2021	Issued 500 kgs
25-05-2021	Bought 100 kgs at ₹ 6 each
30-05-2021	Issued 200 kgs

Standard price for the issue of the material is ₹ 5.50 per unit.

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