

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF
COMMERCE AND ECONOMICS, PONDA – GOA
B.COM. CBCS (SEMESTER-V) EXAMINATION, JANUARY 2021
COST ACCOUNTING (DSE1)

Duration: 2 hours

Marks : 80

- Instructions; 1) Question No. 1 is compulsory.*
*2) Answer any **THREE** questions from Q. No. 2 to Q. No. 6.*
3) Figures to the right indicate the full marks allotted to the questions.
4) Give working notes wherever necessary.

Q. 1) Prepare a stores ledger under the first-in-first out method from the following transactions in December 2020 of material A of KYC Ltd.:

Date	Transactions
01-12-2020	Balance of 300 kgs at ` 5 each.
04-12-2020	Purchased 200 kgs at ` 7 per kg.
06-12-2020	Issued 400 kgs.
08-12-2020	Received 500 kgs at ` 8 each.
10-12-2020	Returned to vendor 10 kgs at ` 8 per kg.
13-12-2020	Issued 200 kgs.
17-12-2020	Returned by production dept. 5 kgs at ` 8 each.
20-12-2020	Issued 205 kgs.
24-12-2020	Bought 100 kgs at ` 10 per kg.
25-12-2020	Discarded 3 kgs at ` 8 each.

The stock verification report revealed a shortage of 2 kgs on 15th December and a surplus of 4 kgs on 31st December 2020. (20)

Q. 2) ABC Ltd. provides the following information about its material Z relating to the November 2020:

- Purchased 15,000 units at ` 20 each
- Trade discount – 2%
- Goods and Services Tax - 18%
- Cash discount – 4% (If the bill is paid within 15 days)
- Interest – 12% (If the bill is not paid within 15 days)
- Transport charges – ` 600
- Loading and unloading charges – ` 400
- Stores overheads – ` 200
- Insurance – 2% of net invoice price
- Containers at ` 30 per container of 100 units

The company pays 50% of the bill within 15 days. Calculate the total Cost and cost per unit of the material Z from the above information. (20)

Q. 3) Aaj Ltd. manufactures and sells a product which requires the material P. The following information was collected about P for the year 2019-2020:

- Annual consumption – 6,000 units
- Cost of material per unit – ` 20
- Re - order period – 8 to 12 days
- Cost of placing an order – ` 60
- Annual carrying cost – 10% of inventory value
- Normal consumption – 200 units
- Minimum consumption – 150 units
- Maximum consumption – 250 units

Compute: i) Economic order quantity, ii) Re-order level, iii) Safety stock Level, iv) Maximum stock level, v) Average stock level and vi) Danger stock Level. (20)

Q. 4) a) What is stores control? Enumerate the different techniques of stores control. (10)

b) Prepare a stores ledger under the simple average method from the following transactions:

Date	Transactions	
01-11-2020	Balance 400 kgs at ` 4 per kg	
05-11-2020	Purchased 600 kgs at ` 4.80 each	
10-11-2020	Issued 500 kgs	
15-11-2020	Received 300 kgs at ` 5.20 per kg	
20-11-2020	Issued 500 kgs	
25-11-2020	Bought 100 kgs at ` 6 each	
30-11-2020	Issued 200 kgs	(10)

Q. 5) a) Define cost and state the objective s of cost accounting. (10)

b) Distinguish between cost accounting and financial accounting. (10)

Q. 6) Answer the following:

a) Costing

b) Material control

c) Ordering cost

d) Last- In- First Out Method (20)

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