

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS
PONDA-GOA

B.COM (SEMESTER - I) SUPPLEMENTARY EXAMINATION, MAY/JUNE 2016
COST ACCOUNTING (FOUNDATION COURSE)

Duration: 2 Hours

Marks: 80

Instructions :- 1) Q.No.1 is compulsory2) Answer ANY THREE questions from Q.No.2 to Q.No.6

3) All questions carry equal marks

4) Working note should be part of the answer.

Q.1. The stores ledger account of material 'H' in the books of Cement Process Ltd. revealed the following transaction for the month of January 2016. **(20)**

01 January 2016	Opening stock 1000kgs @ ` 37.50 per kg
03 January 2016	Received from supplier 2000kgs @ ` 38.75 per kg
09 January 2016	Issued to production department 1200kgs
13 January 2016	Issued to production department 800kgs
19 January 2016	Purchased 2500kgs @ ` 39.5 per kg
21 January 2016	Issued 2000kgs
23 January 2016	Received 1250kgs @ ` 40 per kg
26 January 2016	Purchased 3000kgs @ ` 41.25 per kg
28 January 2016	Issued 1750kgs
30 January 2016	Issued 1300kgs
31 January 2016	Issued 1700kgs

You are required to price the issue and draw out the Closing balance under the

- a) Last in First out Method.
- b) Simple Average Method.

Q.2.A) In manufacturing a product a company uses two materials 'Rubber' and 'Sand' in respect of which the following information is available: **(16)**

Normal usage	100 units per week each
Minimum usage	50 units per week each
Maximum usage	150 units per week each
Reorder Quantity	'Rubber'- 800 units
	'Sand' - 1200 units
Delivery period	'Rubber'- 4 to 6 weeks
	'Sand' - 2 to 4 weeks

Calculate for each component:

- (a) Reorder level
- (b) Minimum level
- (c) Maximum level
- (d) Average stock level

Q.2.B) Write a short note on Bin Card.

(4)

Q.3.A) Ahmed Ltd. received a consignment of two materials viz. 'T' and 'Q' . The invoice showed the following: **(16)**

Particulars	₹
Material 'T' 800kgs @ ` 5 per kg	4000
Material 'Q' 600kgs @ ` 3.75 per kg	2250
	<u>6250</u>
Less : Trade Discount	500
	<u>5750</u>
Other charge: Tax ,insurance	2500
Cost of containers(returnable at 75% of their value	350
Freight	210
Carriage	140
	<u>8950</u>

Q.3.B) State and explain merits of Cost accounting. **(4)**

Q.4.A) The following extract of costing information related to commodity 'K' for the year ending 31st March 2016 . **(16)**

Particulars	₹
Purchase of Raw material	60000
Direct wages	50000
Rent rates and insurance of factory	5000
Carriage inward	1000
Stock on 1 st April 2015	
Raw material	10000
Finished products (2000 tones)	8000
Stock on 31 st March 2016	
Raw material	11000
Finished products (4000 tones)	16050
Depreciation on Machine	5000
Depreciation on furniture	1000
Office lighting	500
General expenses	1000
Works managers salary	12000
Office rent	500
Work in progress on 1 st April 2015	2400
Work in progress on 31 st March 2016	8000
Stationary	1000
Factory water and gas	8000

Adjustment:

- Profit is 20% on sales
- Selling overheads is Re.0.40 per tone sold. 32000 tones of the commodity were produced during the year.
- Stationary cost to be equally apportioned between Factory and office.
- Calculate factory overhead as a percentage of direct wage.

Q.4.B) Short note on Perpetual Inventory. (4)

Q.5.A) The purchase department of your organization has received an offer of Quantity discount on its order of material as under: (16)

Tonnes	Price per ton `
Less than 500	700
500 and less than 1000	690
1000 and less than 2000	680
2000 and less than 3000	670
3000 and above	660

The annual requirement of the material is 2500 tons. The delivery cost per order is `600 and the annual stock holding is estimated at 20 per cent of the average inventory.

The purchase department wants you to consider the following purchase options and advice which among them will be the most economic ordering quantity, presenting the relevant information in a tabular form.

The Purchase quantity options to be considered are: 400 tons, 500 tons, 1000 tons, 2000 tons and 3000 tons.

Q.5.B) Write a short note on types of discounts. (4)

Q.6) Write a short note on **ANY FOUR**. (4x5=20)

- a) EOQ
- b) ABC analysis
- c) Objectives of Cost accounting
- d) Purchase Procedure
- e) Types of Stores

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