

GVM's GGPR College of Commerce & Economics,  
Farmagudi- Ponda, Goa.

B.Com (Semester III) Intra Semester Assessment (ISA) I- Test, July 2019

**FUNDAMENTALS OF COST ACCOUNTING**

Duration: 30 minutes

Marks: 10

- Instructions:**
1. Answer all the questions.
  2. Working notes should form part of your answer.
  3. Figures to the right indicate the marks assigned.

Q.1. Following is the information of Epzon Remotes manufactured and sold by Meiko Corporation during July 2019. (06 marks)

Particulars	Rs.
Stock of raw materials on 1 <sup>st</sup> July 2019	80,000
Stock of raw materials on 31 <sup>st</sup> July 2019	50,000
Sale of raw material scrap	4,000
Carriage inwards on purchases	14,000
Raw materials purchased during the month	4,50,000
Direct wages paid	78,000
Salaries of production staff	1,40,000
Bad debts written off	5,500
Repairs and maintenance of plant	33,500
Sale of factory scrap	7,500
Clerical and office staff salaries	1,95,000
Depreciation of office furniture	14,300
Income tax paid	10,000
Selling overheads	97,700
Sales (10,000 units @ Rs. 75 each)	

Prepare a **COST SHEET** for the month of July 2019.

Q2) Explain the following concepts, in brief. (2 marks)

1. Cost Unit
2. Overheads.

Q3) Explain any two points of distinction between Cost Accounting and Financial Accounting. (2 marks)

Answer key

Cost Sheet For July 2019

Particulars	Rs.		Marks
Stock of raw materials on 1 <sup>st</sup> July 2019	80,000		
Add : Raw materials purchased during the month	4,50,000		
Carriage inwards on purchases	<u>14,000</u>		
	5,44,000		
Stock of raw materials on 31 <sup>st</sup> July 2019	<u>50,000</u>		
	4,94,000		
Sale of raw material scrap	<u>4,000</u>		
= raw materials consumed		4,90,000	
Direct wages paid		<u>78,000</u>	
= PRIME COST		5,68,000	02
<u>Add : factory overheads</u>			
Salaries of production staff	1,40,000		
Repairs and maintenance of plant	<u>33,500</u>		
	1,73,500		
Sale of factory scrap	<u>7,500</u>	<u>1,66,000</u>	
= WORKS COST		7,34,000	01
<u>Add : administrative overheads</u>			
Clerical and office staff salaries	1,95,000		
Depreciation of office furniture	<u>14,300</u>	<u>2,09,300</u>	
= COST OF PRODUCTION		9,43,300	01
<u>Add : Selling overheads</u>		<u>97,700</u>	
= TOTAL COST /COST OF SALES		10,41,000	01
Add : profit (difference)		<u>2,09,000</u>	
= SALES (10,000 UNITS @ RS. 125 EACH)		<u>12,50,000</u>	<u>01</u>

Non-cost items – bad debts written off and income tax paid