Examination October/November 2024

UCOD102

Total No. of Printed Pages: 03

T.Y.B.COM Semester V

Cost Accounting Major I– Cost Accounting 1

[Time: 2 Hours] [Max.Marks:80]

Instructions: 1. Question Number 1 is Compulsory.
2. Answer any three questions from Q2 to Q No. 6.
3. Give working notes wherever necessary.
4. Each question carries equal marks.

Q 1 Prepare a stores ledger account from the following transactions in the month of January, February, and March, 2024, assuming that issues of stores have been made on the principle of **FIFO and LIFO.** **20**

January 2	Purchased 2000 units at ₹ 4.00 per unit
January 20	Purchased 250 units at ₹ 5.00 per unit
February 5	Issued 1000 units
February 10	Purchased 3000 units at ₹ 6.00 per unit
February 12	Issued 2000 units
March 2	Issued 500 units
March 5	Issued 1000 units
March 15	Purchased 2250 units at ₹ 5.50 per unit
March 20	Issued 1500 units
March 25	The production manager returned 200 units issued on March 5th due to a surplus work order.
March 28	During a routine physical count, the stock verifier identified a shortage of 50 units due to inventory discrepancies.

Q 2 A manufacturer uses two types of materials, A and B for its production. The relevant monthly data for the components are given below. **20**

MATERIALS	A	B
Normal usage in units per week	120	180
Maximum usage in units per week	180	200
Minimum usage in units per week	60	60
Re-Order Quantity in units	800	1000
Re-Order Period (in Weeks)	2-4	4-6

Calculate each component: (a) Re-order level (b) Minimum level (c) Maximum stock level and (d) Average stock level

Q 3 A) Arun Industries manufactures a product "Ever Young". Calculate EOQ from the following information provided. **10**

Monthly Consumption of Materials	600 units
Cost of placing an order	₹75
Cost per unit	₹50
Storage and carrying costs	2% of inventory value.

B.) Explain the steps involved in a scientific purchase procedure. **10**

Q 4 A) From the following details of store receipts and issues of material "EXA" in a manufacturing unit, prepare the Stock Lr using the **"Weighted Average"** method of valuing the issues: **10**

Nov. 1: Opening stock 2,000 units @ ₹ 5 each.

Nov. 3: Issued 1,500 units to Production.

Nov. 4: Received 4,500 units @ ₹ 6.00 each.

Nov. 8: Issued 1,600 units to Production.

Nov. 9: Returned to stores 100 units by the Production Department (from the issues of November 3).

Nov. 16: Received 2,400 units @ ₹ 6.50 each.

Nov. 19: Returned to the supplier 200 units out of the quantity received on November 4.

Nov. 20: Received 1,000 units @ ₹ 7.00 each.

Nov. 24: Issued to Production 2,100 units.

Nov. 27: Received 1,200 units @ ₹ 7.50 each.

Nov. 29: Issued to Production 2,800 units.

B) Explain the ABC technique of inventory control **10**

Q 5 **A)** What is meant by the classification of cost? Explain the classification of costs based on element-wise, functional-wise, and behaviour-wise categories. **10**

B) What is cost accounting? Discuss in detail the benefits of implementing a cost accounting system **10**

Q 6 Write short notes on **(Any Four)** **20**

a. Objectives of cost accounting.
b. Functions of the store-keeper.
c. Essentials of a good costing system.
d. Perpetual inventory system.
e. Defects and Spoilage and its treatment in cost accounting.
f. Centralized purchasing System.