

Name:

Enrolment No:



UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, 2019

Course: Cost Accounting

Program: B.Com Hons (Taxation)

Time: 3 hrs.

Instructions: Scientific Calculator is allowed

Semester: III

Code: FINC1007

Max. Marks: 50

NOTE : ATTEMPT ALL QUESTIONS

SECTION A

S. No	Multiple Choice Questions	Marks	CO
1	Reordering Level = _____	2	2
2	Marginal cost is: a) Cost that may be saved by adopting a given alternative b) Cost of next best alternative forgone c) Cost of increasing production by one more unit. d) none	2	1
3	According to which of the following methods of material pricing are close to current economic values a) LIFO b) FIFO c) HIFO	2	2
4.	In VED Analysis, V,E and D Stands for _____	2	3
5	The quality of material to be ordered at one time a) EOQ b) EBQ c) BOQ	2	3
6	Indirect expense are also called Expenses. a) Variable b) Chargeable c) Fixed	2	3
7	Standard costing helps in : (a) Measuring Efficiency (b) Reducing loses (c) Controlling prices (d) None of these	2	2

8	Expenditure incurred on material, labour, machinery, production, inspection and administration are summed up to find the (a) Total cost of product (b) Selling price of product (c) Factory cost of product (d) None of these	2	2
9	Prime Cost = _____	2	1
10	When the actual loss in a process is less than the anticipated loss, the difference between the two is considered to be _____.	2	1

SECTION B

11	From the following information calculate the Economic Order Quantity: Annual usage – 20,000 units Cost of Materials (per unit) – Rs. 250 Cost of placing and receiving order – Rs. 2,000 Annual cost of carrying inventory (including interest) – 10% of cost	5	2
12	Write a short note on “Abnormal Loss”	5	2
13	Write a short note on “ABC Analysis”.	5	3
14	Write a short note on “Cost of Goods Sold”	5	3

SECTION-C

15	A certain product passes through three processes before it is completed. The output of each process is charged to the next process at a price calculated to give a profit of 20% on transfer price (i.e. 25% on cost price). The output of process III is charged to finish stock account on a similar basis. There was no work-in-progress at the beginning of the year and overheads have been ignored. Stock in each process has been valued at prime cost of the process. The following data are obtained at the end of 31 st March 2018.	15	4										
	<table border="1"> <thead> <tr> <th></th> <th>Process I (Rs)</th> <th>Process II (Rs)</th> <th>Process III (Rs)</th> <th>Finished Stock (Rs)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Process I (Rs)	Process II (Rs)	Process III (Rs)	Finished Stock (Rs)							
	Process I (Rs)	Process II (Rs)	Process III (Rs)	Finished Stock (Rs)									

	Direct Material	4000	6000	2000	-----																															
	Direct Wages	6000	4000	8000	-----																															
	Stock on 31 st March	2000	4000	6000	3000																															
	Sale during the year	-----	-----	-----	36000																															
	<p>From the above information prepare</p> <p>(I) Process cost accounts showing the profit element at each stage.</p> <p>(II) Actual realized profit</p> <p>Stock Valuation as would appear in the balance sheet.</p>																																			
16	Discuss the significance of Cost Accounting to any firm. Discuss the mode of preparation of a cost sheet.						15	4																												
	SECTION D						Total Marks :30																													
17	<p>The following are the details of XYZ Ltd in respect of its raw materials for the month of December 2018:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Date</th> <th style="width: 20%;">Receipts (Units)</th> <th style="width: 20%;">Price per Unit (Rs)</th> <th style="width: 20%;">Issued (Units)</th> </tr> </thead> <tbody> <tr> <td>1/12/18</td> <td>5000</td> <td>6</td> <td></td> </tr> <tr> <td>8/12/18</td> <td></td> <td></td> <td>2000</td> </tr> <tr> <td>13/12/18</td> <td>3500</td> <td>7.2</td> <td></td> </tr> <tr> <td>26/12/18</td> <td></td> <td></td> <td>4300</td> </tr> <tr> <td>28/12/18</td> <td></td> <td></td> <td>1200</td> </tr> <tr> <td>30/12/18</td> <td>2500</td> <td>8.6</td> <td></td> </tr> </tbody> </table> <p>Find the values of issues and resulting stocks on different dates using (I) LIFO (II) FIFO and (III) HIFO methods</p>						Date	Receipts (Units)	Price per Unit (Rs)	Issued (Units)	1/12/18	5000	6		8/12/18			2000	13/12/18	3500	7.2		26/12/18			4300	28/12/18			1200	30/12/18	2500	8.6		30	3
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