



**ARKA JAIN University, Jharkhand**  
**5<sup>TH</sup> Semester Final Examination – 2017-20**

Subject: Cost Accounting

Time : 3 Hours

Course: B.COM  
Full Marks: 70  
Pass Marks: 28

- Candidates are required to give their answers in their own words as far as practicable.
- Question Paper is divided into **Three Parts –A, B & C**
- **Part-A** is compulsory.
- **Part- B** contains **SIX** questions out of which **FOUR** questions are to be answered.
- **Part- C** contains **SIX** questions out of which **THREE** questions are to be answered.

**PART A**

Q.1) **All questions are compulsory**

**A] Multiple Choice Questions:**

**(10x1=10)**

- a) **Cost accounting is used :**
- By big producer
  - By small producer
  - By managerial producers
  - By big & small producers
- b) **Which methods of costing are used in hospital?**
- Operating costing
  - Unit costing
  - Job costing
  - None of these
- c) **The best example of variable cost is::**
- Interest of capital
  - Expense of material
  - Wealth tax
  - None of the above
- d) **In which of the following methods, inventory as valued at the latest price prevailing in the market**
- LIFO method
  - FIFO method
  - Replacement price method
  - Weighted average method
- e) **Closing stock is valued at market price or cost price whichever is:**
- Higher
  - Lower
  - Like by the Accountant
  - None of these
- f) **Rate of consumption of material is the most important factor while fixing**
- Maximum limit
  - Minimum limit
  - Re-order level
  - All of these
- g) **VED Analysis method is used when:**
- Machine are used

- ii) Materials are used
- iii) Laborers are used
- iv) None of these

**h) Factory overheads are recovered as a percentage of:**

- i) Direct material
- ii) Direct wages
- iii) Factory cost
- iv) Prime cost

**i) Machine hour rate method is the method of absorption of:**

- i) Factory overheads
- ii) Administration overheads
- iii) Selling overheads
- iv) Distribution overheads

**j) If profit is 50% of sales, then the percentage of cost will be:**

- i) 50%
- ii) 75%
- iii) 100%
- iv) None of these

**Very Short question**

- a) What is cot Account? (5x2=10)
- b) Define overheads:
- c) Explain the concept of economic order quantity:
- d) A plant sent to site who returned of a value of Rs. 16000/- after changing depreciation @20%. Find Out the cost of plant and amount of depreciation.
- e) What is work in progress?

### PART B

**Q2. Answer any four:**

- 1) Explain the objects of cost Accounting. (4x5=20)
- 2) What is Bin card?
- 3) What is Reconciliation statement?
- 4) From the following information, find out the economic order quantity and the number of orders placed in the year:

Annual consumption – 400 units  
 Buying cost per order – Rs.60  
 Price per unit – Rs.10,

- 5) The cost of production of 200 units is Rs.5, 600. The normal wastages is 10% and is sold as scrap @ Rs.10 per unit. Find out the cost per unit of remaining units.
- 6) Determine the price cost from the following :

Opening stock of materials- Rs.20, 000

Material purchased ---	Rs.1, 30,000
Direct Wages-	Rs.80, 000
Changeable expenses-	Rs.10, 000
Carriage in ward	Rs. 3000
Carriage outward	Rs. 5000
Closing stock of material	Rs. 30,000

Materials returned to supplies Rs. 4000

### PART C

Answer any three:

(3x10=30)

- Define cost and explain its different kinds.
- What is a cost sheet? Why is it prepared? Explain its advantages.
- Give a specimen of statement of cost with imaginary figures.
- Prepare store ledger account as per FIFO method from the following data:-

Date	Receipt of Materials	
	Units	Cost permit (Rs)
April 1, 2019	1,000 (opening balance)	Rs. 5
April, 3, 2019	5,000	Rs.6
April, 12, 2019	3,000	Rs.5

#### Materials Used-

Date	Units
April, 4, 2019	3,000
April, 6, 2019	2,000
April, 15, 2019	1,500

The weekly stock taking on April 7, 2019 showed on storage of 150 units.

**Q7). From the following particulars calculative machine hour rate:-**

Cost of machine	Rs, 16,000
Estimated scrap value	Rs.1, 000
Estimated life of machine	1000 hours
Working hours for four weeks	160 hours.
Repairs and maintenance charge for a month	Rs.120
Standing charges attributed to the machine for a month	Rs.40
Power used by machine	4 units per hour @ 85 paise per hour.

**Q.8)** A particular brand of phenyl passes through three important process. In a particular week 500 bottles were produced. The cost books show the following information's:-

(Rs.)	Process I Process III Rs.)	Process II (Rs.)	
Materials	4,500	2000	
Labour	3000	2500	1,500
Direct expenses	1000	500	2500
Cost of Bottles	-----	2000	1000
Cost of Corks	-----	-----	--
			250

The indirect expenses for the period were Rs.1600. The by-product were sold for Rs. 350 (Process II) and the residue were sold for Rs. 250 (process III). Prepare process accounts: