



BRAINWARE UNIVERSITY

Term End Examination 2023
Programme – B.Com.(BF)-Hons-2022
Course Name – Cost Accounting
Course Code - BCMC201
(Semester II)

Brainware University Library
398, Ramkrishnapur Road, Barasat
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) Bin card is maintained by ____ (Select the correct answer)
- a) Accounts department
b) Costing department
c) Stores department
d) Purchase department
- (ii) _____ technique is a selective control of materials (Select the correct answer)
- a) ABC
b) Inventory turnover ratio
c) Input output ratio
d) EOQ
- (iii) Portion of production which can be rectified at some extra cost of re-operation is recognized as
- a) Scrap
b) Waste
c) Defectives
d) Spoilage
- (iv) The value of closing stock approximates to the market value under_ (Identify the correct answer)
- a) FIFO
b) LIFO
c) NIFO
d) HIFO
- (v) According to CIMA, England, "the technique and process of ascertaining cost" is called (Identify the correct answer)
- a) Costing
b) Cost Accounting
c) Cost Accountancy
d) Cost
- (vi) The information provided by financial statements is _____ (Identify the correct answer) in nature.
- a) Standard
b) Historical
c) Marginal
d) Uniform
- (vii) The exact cause of increase or decrease in profit or loss is disclosed by- (Identify the correct answer)
- a) Management accounting system
b) Financial accounting system
c) Cost accounting system
d) Management information system
- (viii) Cost accounting has developed due to the _____ of financial accounting. (Identify the correct answer)
- a) Advantages
b) Limitations
c) Merits
d) Expansion
- (ix) Standard time for a job is 8 hours and actual time taken is 6 hours. Compute the total wages payable under Halsey plan if wage rate is Rs. 10 per hour.
- a) Rs. 90
b) Rs. 80
c) Rs. 70
d) Rs. 60
- (x) Expired cost is recorded in _____ (Identify the correct answer)
- a) Balance Sheet
b) Profit & Loss A/c
c) Cash flow statement
d) None of the above
- (xi) Floor area may be used as a basis for apportionment of_ (Choose the correct option)
- a) Rent and rates
b) Building insurance
c) Lighting
d) All of these
- (xii) _____ of factory overhead in cost accounts is added to financial profit to arrive at costing profit. (Choose the correct option)
- a) Under valuation
b) Over valuation
c) Cost
d) Selling price
- (xiii) Rent receivable is _____ (Choose the correct option)
- a) Purely financial charge
b) Purely financial income
c) Notional charge
d) None of these
- (xiv) Mention the item of expense which is excluded from cost accounts_ (Select the correct option)
- a) Raw materials
b) Office supplies

- c) Salaries
 (xv) A Bill of Material serves the purpose of ____ (Identify the correct option)
 a) Purchase order
 c) Purchase requisition
- d) Income Tax
 b) Material requisition
 d) Goods received note

Group-B
 (Short Answer Type Questions) 3 x 5=15

2. Explain the limitations of job costing. (3)
 3. Define Conversion cost and Sunk cost (3)
 4. Calculate factory cost from the following particulars: Material consumed Rs.60,000. Productive wages Rs.20,000. Direct Expenses Rs.5,000. Consumable stores Rs.2,000. Oil grease/Lubricating Rs.500. Salary of a factory manager Rs.6,000. Unproductive wages Rs.1,000. Factory rent Rs.2,000. Repair and Depreciation on Machine 600. (3)
 5. Rate per hour = Rs.1.50 per hour; Time allowed for job = 20 hours; Time taken = 15 hours. Calculate the total earnings of the worker under the Halsey Plan. Also find out effective rate of earnings (3)
 6. The data pertaining to Heavy Engineering Ltd. using are as follows at the end of 31.3.2022. Direct material Rs. 11,25,000; Direct wages Rs.9,37,500; Selling and distribution overhead Rs.6,56,250; Administrative overhead Rs.5,25,000, Factory overhead Rs.4,50,000 and Profit Rs.6,09,000. Prepare a cost sheet showing all the details to show the Selling Price. (3)
- OR**
- Explain the weighted average method. (3)

Group-C
 (Long Answer Type Questions) 5 x 6=30

7. Explain the EOQ with graphical approach. (5)
 8. Define LIFO & its advantages. (5)
 9. (5)

Manufacturing of product 'Fanta' requires three distinct processes. On completion the product is passed from Process - 3 to finished stock. During the month of December 2017, the following information was obtained:

Elements of Costs	Total ₹	Process		
		I ₹	II ₹	III ₹
Direct material	26,000	15,000	11,000	-
Direct labour	26,500	12,500	6,000	8,000
Direct expenses	8,000	3,000	-	5,000
Production overhead	79,500	-	-	-

Production overhead is absorbed by processes at a percentage of direct wages. Production during the period was 1,000 kg. There was no stock of raw materials or work-in-progress at the beginning or at the end of the month. There is no process loss also. Show the Process Accounts and Finished Stock Account & calculate the value of finished stock.

10. Explain the role of bill of materials in cost accounting. (5)
 11. Write down the journal entries for the following transactions in the integrated books of accounts : (i) Cash purchase Rs.18,000 (ii) Credit purchase Rs.2,45,000 (iii) Materials issued to production Rs.3,25,000 (iv) Wages paid to workers Rs.1,39,612 (v) Finished goods transferred from production Rs.6,29,775 (vi) Administrative overhead allowable to production Rs.78,900 (vii) Works expenses outstanding Rs.2,25,000 (viii) Goods sold during the month Rs.7,65,000. (5)
 12. Record the following transactions in the Stores Ledger Account using FIFO method of pricing issues : (5)

2017

March 1	Balance in hand	3,000 units @ ₹ 20 each
2	Purchased	2,000 units @ ₹ 22 each
3	Issued	1,500 units
5	Purchased	2,000 units @ ₹ 23 each
10	Issued	1,500 units
15	Issued	2,000 units
20	Purchased	2,000 units @ ₹ 24 each
31	Issued	1,500 units

Prepare stores ledger under LIFO system & calculate the closing stock.

OR

(5)

Jan.	1	Opening Stock	200 pieces @ ₹ 2.00 each	22	Issue	150 pieces
	5	Purchases	100 pieces @ ₹ 2.20 each	25	Issue	100 pieces
	10	Purchases	150 pieces @ ₹ 2.40 each	27	Issue	100 pieces
	20	Purchases	120 pieces @ ₹ 2.50 each	28	Issue	200 pieces

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