

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY B.Com, Semester-V (CBCS), Semester End Examination Nov 2023
Cost Accounting- DSE-1
Cost Accounting I (UCOD102)

Duration: 2hrs

Max Marks: 80

Instructions:

- i. Question no.1 is compulsory
- ii. All questions carry equal marks and the figures to the right indicate the maximum marks allotted to questions/sub-questions
- iii. Answer any three questions from question no.2 to question no.6

Q.01. The following transactions are taken from the books of Ambuja Cement Ltd.

| January 2023 | | | |
|------------------|-----------|-------------|----------------|
| 02 nd | Purchased | 2,000 units | @ ₹ Rs.20 each |
| 05 th | Purchased | 250 units | @ ₹ Rs.25 each |
| 07 th | Issued | 1,000 units | - |
| 12 th | Purchased | 3,000 units | @ ₹ Rs.30 each |
| 15 th | Issued | 2,000 units | - |
| 18 th | Issued | 500 units | - |
| 22 nd | Issued | 1,000 units | - |
| 27 th | Purchased | 2,250 units | @ ₹ Rs.35 each |
| 30 th | Issued | 1,500 units | - |

You are required to prepare the store ledger account under the FIFO and the highest in first out method. **(20 Marks)**

Q.02.A) The following quotation is received from a supplier in respect of material Y:

Lot Size/price: 100kg @ Rs.10 per kg

500kg @ Rs. 9 per kg

1,000 kg @ Rs. 8 per kg

He allows a trade discount of 20% and a cash discount of 5% if payment is made within 10 days. One container is required for every 100 kg of materials and the containers are charged at Rs.10

each but credited Rs.9 each if returned within a month. Transportation charges for any order are Rs. 50. Assuming that the company makes all the payments on time, the company decides to purchase 500 kg of the material.

Calculate the purchase price.

(10 Marks)

Q.02.B) Illustrate the procedure for purchase of materials in an organization?

(10 Marks)

Q.03. Boeing Ltd. uses two components, X and Y.

(20 Marks)

The usage of the components is as follows :

Maximum usage (in units) 2000 units per week

Minimum usage (in units) 750 units per week

Normal usage (in units) 1500 units per week

Re-ordering quantity X :900 units

Y :1500 units

Delivery period A : 4 to 6 weeks

B : 2 to 4 weeks

Calculate for each component:

1. Re-order level,
2. Minimum Level,
3. Maximum Level
4. Average stock level.

Q.04.A) Discuss the advantages and limitations of cost accounting system.

(10 Marks)

Q.04.B) Elaborate on the role of cost accounting in managerial decisions.

(10 Marks)

Q.05.A) Asian paints Ltd manufactures a special product which requires component Alpha. The following particulars are collected for the year 2023.

Annual demand: 8000 units

The cost of placing an order: Rs 200 per order

Cost per unit: Rs.400

Carrying costs: 20% p.a

The company has been offered a quantity discount of 4% on the purchase of Alpha provided the order size is 4,000 units at a time.

Compute EOQ and advise whether the quantity discount offer can be accepted.

(10 Marks)

Q.05.B) The following particulars have been taken from the books of Britannia Ltd.

| | | | |
|----------|-----------------|-----------|------------|
| March 02 | Opening balance | 100 units | @ ₹ 5 each |
| March 07 | Purchased | 500 units | @ ₹ 6 each |
| March 12 | Issued | 300 units | - |
| March 19 | Issued | 200 units | - |
| March 26 | Purchased | 600 units | @ ₹ 5 each |
| March 28 | Issued | 300 units | - |
| March 31 | Issued | 250 units | - |

Prepare store ledger account for the month of March 2023. Use the standard price Rs.5 for pricing the material issues.
(10 Marks)

Q.06. Write short notes on **any 4** of the following

(4*5 = 20Marks)

- Objectives of cost accounting.
- Distinguish between cost accounting and financial accounting
- Need for material control
- Benefits of Classification of materials
- Market Price method of material issue pricing
- Perpetual Inventory System