

**Pune Vidyarthi Griha's**  
**College of Science and Technology**  
**S.Y. BMS Sem-III**

**Sub: Introduction to Cost Accounts**

Q.P. CODE: UBMSFSIII.6 (Time: 2 ½ hours)

Total Marks: 75

Note :-

1. All questions are compulsory.
2. Make suitable assumptions wherever necessary and state the assumptions made.
3. Answers to the same question must be written together.
4. Numbers to the right indicate marks.
5. Draw neat labeled diagrams wherever necessary.
6. Use of Non-programmable calculators is allowed.

**Q.1.A Multiple choice question ( Any 8 )**

**(08 Marks)**

1. Indirect cost is also termed as\_\_\_\_\_  
a) Labour cost      b) Direct cost      c) Factory cost      d) Overheads
2. Uniform costing helps to control\_\_\_\_\_  
a) Manpower      b) Cost      c) Finance      d) All of the above
3. Factory rent is\_\_\_\_\_  
a) Fixed cost      b) Variable cost      c) Semi-variable cost      d) Semi-fixed cost
4. Cost which is directly related with the output is called as\_\_\_\_\_  
a) Direct      b) Variable      c) Fixed      d) Semi-fixed
5. Interest paid is a\_\_\_\_\_  
a) Selling cost      b) Distribution cost      c) Finance cost      d) None of the above
6. EOQ stands for\_\_\_\_\_  
a) Equilibrium Optional Quality      b) Economic optimum quantity  
c) Economic order quantity      d) Economic option Quantity
7. Bonus as per Halsey weir plan = \_\_\_\_\_ of time saved  
a) 1/3      b) 1/4      c) 1/2      d) 1/5
8. Raw material consumed is a part of \_\_\_\_\_  
a) Prime cost      b) Factory overheads  
c) Administrative overheads      d) Selling overheads
9. Normal loss is calculated as \_\_\_\_\_  
a) Percentage of input quantity      b) Percentage of output quantity  
c) Percentage of sales      d) None of the above
10. Dividend paid is which type cost\_\_\_\_\_  
a) Administration expenses      b) Selling expenses      c) Direct cost      d) Financial expense

**Q.1.B State whether the following statements are True or False ( Any 07 )****(07 Marks)**

Column A	Column B
1. Depreciation on Showroom Furniture	a. Indirect Factory cost
2. Overheads	b. Rate per hour
3. Normal loss	c. Total cost
4. Insurance of stock	d. Selling overheads
5. Prime cost	e. Indirect cost
6. Electric power	f. Loss in weight
7. Rent	g. Distribution on the basis of value of stock
8. Indirect wages	h. Direct cost
9. Time rate	i. Horse power of machine
10. Cost of sales	j. Floor space

**Q.2****(15 Marks)**

From the following information in respect of material, compute the economic order quantity by preparing a table

Ordering Quantities (Kg's)	Price per Kg. (Rs.)
Less than 250	6.00
250 and less than 800	5.90
800 and less than 2000	5.70
2000 and less than 3000	5.60
3000 and less than 4000	5.50
4000 and above	5.40

The semi-annual demand for the material is 4000 Kg. Stock holding cost is 20% p.a. of the material cost.

The ordering cost is Rs. 20 per order.

Following are the Ordering options

200 Kg, 400 Kg, 800 Kg, 1000 Kg, 2000 Kg, 2500 Kg and 4000 Kg.

**OR****Q.2****(15 Marks)**

A product of a manufacturing concern passes through two processes viz A and B and then to finished stock.

The following figures have been taken from its books for the year ended 31<sup>st</sup> March, 2019.

Particulars	Process A	Process B
Raw material introduced in process (Units)	20,000	-
Cost of raw material introduced (per unit)(Rs.)	125	-
Wages (Rs.)	5,60,000	2,00,000
Machine expenses (Rs.)	40,000	20,000
Direct expenses (Rs.)	20,000	20,000
Other factory expenses	90,000	45,000
Indirect material (Rs.)	10,000	20,000
Normal loss in weight	5%	5%
Realisable value of scrap	(Rs.) 80	(Rs.) 200
Output (Units)	16,600	15,600

Prepare Process Accounts.

**Q.3****(15 Marks)**

Following are details of Shree Ltd. For the year ended 31<sup>st</sup> March 2019-10-10

Particulars	Rs.
Salesman salary	6,47,500

Opening stock of finished goods	7,60,000
Directors fees	9,73,700
Indirect wages	9,76,300
Repairs to office furniture	4,01,700
Works manager salary	11,94,700
Showroom expenses	10,68,750
Depreciation on computer	12,12,900
Indirect material	7,31,900
Depreciation on Machinery	4,77,100
Advertisement	15,33,750
Office salary	7,91,700
Direct wages	10,01,000
Direct material	18,82,400
Direct expenses	4,96,600
Closing stock of finished goods	2,00,000

Other information: Profit desired 20% on Sale

Prepare Cost sheet.

**OR**

**Q.3**

**(15 Marks)**

In an engineering factory, the following particulars have been extracted for the year ended 31 Dec, 2023

Particulars	Production Department			Service Department	
	A	B	C	X	Y
Direct Wages (Rs.)	30,000	45,000	60,000	15,000	30,000
Direct Material (Rs.)	15,000	30,000	30,000	22,500	22,500
Staff Number	1,500	2,250	2,250	750	750
Electricity (Kwh)	6,000	4,500	3,000	1,500	1,500
Asset value (Rs.)	60,000	40,000	30,000	10,000	10,000
Light Points	10	16	4	6	4
Area (Sq. Mtr)	150	250	50	50	50

The expenses for the period were as follows:

Particulars	Rs.
Power	1,100
Lighting	200

Stores overheads	800
Welfare to staff	3,000
Depreciation	30,000
Repairs	6,000
General overheads	12,000
Rent and Taxes	550

Apportion the expenses of service department Y according to direct wages and those of service department X in the ratio 5:3:2 to the production departments.

You are required to prepare an overhead distribution summary.

**Q.4 (15 Marks)**

From the following particulars, prepare stock record by FIFO and Weighted average Method.

Date	Transaction	Units	Rate
2019			
April			
5	Purchase	40	30
7	Purchase	60	28
12	Sale	50	35
18	Purchase	80	29
25	Sale	80	33
27	Sale	20	34
29	Purchase	100	26
30	Sale	90	35

The Stock in hand on 1<sup>st</sup> April 2019 50 Units @ 25 Each.

**OR**

**Q.4** Discuss in detail Process costing and its advantages. **(15 Marks)**

**Q.5.A** What is Job Costing? And explain its advantages. **(08 Marks)**

**Q.5.B** Describe in brief classification of Cost. **(07 Marks)**

**OR**

**Q.5 Write Short notes on (Any 3)** **(15 Marks)**

- Material cost
- Merrick Differential Piece rate system
- Primary Distribution and Secondary Distribution
- Direct labour cost & Indirect labour cost
- Fixed cost and Variable Cost.