

COST ACCOUNTING : 2014

(Old and New Course - 109)

Time : 3 Hours]

[Maximum Marks : 90

[Minimum Pass Marks : 32

Note : Attempt all the five questions. One question from each unit is compulsory. All Questions carry equal marks.

UNIT - 1

1. What is cost Accounting ? State briefly the functions of Cost Accounting. <http://prsuonline.com>

Or

"Fixed costs are really variable. The more you produce the less they become." Do you agree ?

UNIT - 2

2. Explain the different methods of inventory valuation. In a period of rising prices, which method will you suggest and why ?

OR

Define the term cost. How is it different from costing ? Distinguish between Direct and Indirect cost.

UNIT - 3

3. What do you mean by overhead ? What are the general principles relating to treatment of overhead expenses cost accounts ?

OR

The books of Adarsh Manufacturing Company present the following data for the month of April 2013.

Direct Labour cost Rs. 17,500 being 175% of works overhead.

Cost of goods sold excluding administrative expenses Rs. 56,000.

Inventory accounts showed the following opening and closing balances :

	April 1 Rs.	April 30 Rs.
Raw Material	8,000	10,600
Work in Progress	10,500	14,500
Finished goods	17,600	19,000

Other data are :

Selling expenses	3,500
General and administration expenses	2,500
Sales for the month	75,000

You are required to :

- (i) Compute the value of materials purchased.
- (ii) Prepare a cost statement following the various elements of cost and also the profit earned.

UNIT - 4

4. Sales	Rs.1,00,000
Profit	Rs.10,000
Variable cost	70%

Find out the following :

- (i) P/V ratio
- (ii) Fixed cost
- (iii) Sales volume to earn a profit of Rs.40,000

OR

What is do you mean by Process Costing ? Explain the steps involved in preparation of process account including the treatment of abnormal gain and abnormal loss.

UNIT - 5

5. "Budgetary control means worrying before work rather than after. Its keynotes are planning, coordination and control." Explain the statement.

OR

What do you mean by Standard Costing ? Explain the preliminaries for establishing a system of standard costing.

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