

COST ACCOUNTING

MAY-JUNE : 2015

(New Course - 109)

Time : 3 Hours] [Maximum Marks : 90 [Minimum Pass Marks : 32

Note : Attempt all the five questions. All questions carry equal marks.

Unit-1

1. "Cost Account is a branch of financial accounting and it has been evolved to do away the limitations of financial accounting and to meet the needs of management Comment.

<http://www.prsunotes.com>

OR

What are the characteristics of an ideal cost accounting system? Discuss.

Unit-II

2. Write short notes on any two of the following :

(a) Opportunity cost

(b) Shut Down cost

(c) Relevant cost

(d) Replacement cost

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OR

"Cost may be classified in a variety of ways according to their nature and the information needs of the management" Explain.

Unit-III

3. Discuss the different methods of pricing the materials issues from stores for production.

OR

Write notes on any two of the following :

(a) Leave with pay

(b) Holiday with pay

(c) Effective of overtime payment on productivity Unit-IV

<http://www.prsunotes.com>

4. The following three jobs were completed in the week ending 31st March, 2014. Compute the total cost by preparing a statement of cost with the information given below :

Particulars	Job-1	Job-2	Job-3
Direct Materials	10,000	12,000	32,000
Direct Labour	8,000	9,000	12,000
Direct Expenses	2,000	3,000	3,000

Change work overhead @ 50% on Direct Labour and Office overhead @ 10% on work cost. What shall be the job price if 10% profit is desired on the supply price?

OR

A firm of building contractors began to trade on 1st April, 2013. The following was the expenditure on the contract for Rs.3,00,000 :

	Rs.	
Material issued to Contract	51,000	
Plant used for contract	15,000	
Wages incurred	80,000	
Other Expenses	6,000	http://www.prsunotes.com

Cash received on account to 31st March, 2014 amounted to Rs.1,28,000 being 80% of the work certified. Of the plant and materials charged to the contract. Plant which cost Rs.3,000 and material which cost Rs.2,500 were lost. On 31st March, cost of work done but not certified was Rs.1,000 and material costing Rs.2,300 were in hand on site.

Charge 10% depreciation on plant, reserve 1/2 profit received and prepare a Contract Account from the above particulars.

Unit-V

5. Mention the various types of cost variances and discuss the method for their computation.

OR

Prepare a flexible budget for production of 80% and 100% capacity on the basis of the following information : Production at 50% capacity 5000 units. Raw Materials Rs.80 per unit, Direct labour Rs.50 per units. Direct expense Rs.15 per unit, Factory expenses Rs.50,00 (of which 50% are fixed), administration expenses Rs.60,000 (of which 40% are fixed). <http://www.prsunotes.com>