

Revision Paper (2015-16)  
Class-B.Com-III  
Sub: Cost Accounting  
Paper- II  
Time: 3 Hours

Maximum Marks: 80

Note: Attempt five questions in all, selecting at least one question but not more than two questions from any unit. All questions carry equal marks.

#### Unit-I

1. What is cost accounting? Explain its characteristics, objectives and advantages.
2. Write short notes on the following:-

- (a) Economic order quantity
- (b) ABC Analysis of Material control

3. Two materials X and Y are employed as under:-

Minimum Usage - 50 Units per week

Maximum Usage - 150 Units

Normal Usage - 100 Units

Re-Ordering Quantities - X = 600 Units

- Y = 1000 Units

Delivery Period - X = 4 to 6 weeks

- Y = 2 to 4 weeks

Calculate for each material: Maximum level, Minimum Level, Reordering level

#### UNIT II

4. What do you mean by overheads? Give their classification.
5. The cost accounts of a manufacturing company gives the following information:-

Rs.

Closing stocks of Raw material	46,000
Closing stock of finished material	63,000
Purchase of Raw Materials	76,000
Work –in-Progress (opening)	6,000
Work in progress (Closing)	10,000

Opening stock of Raw Material	20,000
Opening stock of finished goods	30,000
Sale of finished goods	2,40,000
Office overheads	30,000
Selling and distribution overheads	13,000
Direct Labour	72,000
Work overheads	22,000

Prepare a statement of cost for the above and show the following

- (a) Cost of Materials consumed
- (b) Total cost of Production
- (c) Cost of goods sold
- (d) Profit made on goods sold
- (e) Net Profit

Valuation of work –in-progress is to be made at work cost.

6. Mohan builders undertook a contract for Rs 56,00,000 for constructing a bridge. The following information are available:-

Particulars	Rs
Material purchased	7,75,000
Material issued from store	4,00,000
Material received from other contractor	75,000
Wages Paid	16,25,000
Outstanding wages	29,000
Plant	2,00,000
General Expenses	76,000
Material at site	65,000
Material transferred to other contract	6,000
Cost of Material destroyed	4,000
Cash received (Being 80% of work certified)	24,00,000

charge depreciation on plant @ 10%

Prepare contract account

### UNIT III

7. The data of a company for the year 2012 is given below:-

Capacity utilization	50%
Quantity sold	5,000 Kg
Variable overheads	Rs 50,000
Fixed overheads	Rs 10,000
Sales	Rs 75,000

Calculate:-

- (i) Break even point in terms of quantity and value.
- (ii) Margin of safety
- (iii) Present position
- (iv) Sales for a profit of Rs 40,000.

8. Calculate Material variances from the figures given below:-

Material	Standard Price Per kg	Standard Usage Unit by output	Actual Usage	Actual Price Per kg
A	4	3	350	6
B	5	5	300	5
C	10	4	250	8
		12	900	

Actual output - 80 Units

- 9. What do you mean by Budgetary Control? Explain its advantages and disadvantages.
- 10. Write short notes on the following:-
  - (i) Process costing
  - (ii) Standard costing
  - (iii) Break – Even Point
  - (iv) Budget