

BACHELOR OF COMMERCE
THIRD SEMESTER
FUNDAMENTALS OF COST ACCOUNTING
BCM – 931

**SET
A**

[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 3 hrs.

Full Marks: 70

Time: 30 mins.

Marks: 20

(Objective)

Choose the correct answer from the following:

1 × 20 = 20

- Which of these is not an objective of Cost Accounting?
 - Ascertainment of Cost
 - Determination of Selling Price
 - Cost Control and Cost reduction
 - Assisting Shareholders in decision making
- Fixed cost is a cost:
 - which changes in total in proportion to changes in output
 - which is partly fixed and partly variable in relation to output
 - which do not change in total during a given period despite changes in output
 - which remains same for each unit of output
- Element(s) of Cost of a product is/are:
 - Material only
 - Labour only
 - Expenses only
 - Material, Labour and expenses
- Which of the following cost unit applicable to the Bicycle industry?
 - per part of bicycle
 - per bicycle
 - per tonne
 - per day
- Which of these is not a Material control technique:
 - ABC Analysis
 - Fixation of raw material levels
 - Maintaining stores ledger
 - Control over slow moving and non-moving items
- Economic order quantity is that quantity at which cost of holding and carrying inventory is:
 - Maximum and equal
 - Minimum and equal
 - It can be maximum or minimum depending upon case to case.
 - Minimum and unequal
- Which one of the following is not an inventory valuation method?
 - FIFO
 - LIFO
 - Weighted Average
 - EOQ
- Re-order level is calculated as:
 - Maximum consumption × Maximum re-order period
 - Minimum consumption × Minimum re-order period
 - 1/2 of (Minimum + Maximum consumption)
 - Maximum level - Minimum level

9. Labour turnover means:
- Turnover generated by labour
 - Rate of change in composition of labour force during a specified period
 - Either of the above
 - Both of the above
10. Costs associated with the labour turnover can be categorized into:
- Preventive Costs only
 - Replacement costs only
 - Both of the above
 - Machine costs
11. Which of the following is not an avoidable cause of labour turnover?
- Dissatisfaction with Job
 - Lack of training facilities
 - Low wages and allowances
 - Disability, making a worker unfit for work
12. Wage sheet is prepared by
- Time keeping department
 - Personnel department
 - Payroll department
 - Cost accounting department
13. Director's remuneration and expenses form a part of _____
- Production Overheads
 - Administration Overheads
 - Selling Overheads
 - Distribution Overheads
14. Warehouse expenses is an example of _____
- Production Overheads
 - Selling Overheads
 - Distribution Overheads
 - None of the above
15. Overhead refers to:
- Direct or Prime Cost
 - All Indirect costs
 - only Factory indirect costs
 - Only indirect expenses
16. Which of the following is not a method of cost absorption?
- Percentage of direct material cost
 - Machine hour rate
 - Labour hour rate
 - Repeated distribution method
17. Which of the method of costing is to be applied in case of Nursing Home?
- Operating Costing
 - Process Costing
 - Contract Costing absentee individual
 - Job Costing person in case of insanity
18. Standard cost is a technique which involves comparison of _____
- Variable cost with the total cost
 - Fixed cost with the variable cost
 - Actual cost with the competitors cost to find variation
 - Actual cost with the standard cost to find variation
19. Batch costing is applied in industries:
- Engaged in construction industries
 - Engaged in service industries
 - Where distinct products are produced
 - Where identical products are produced
20. Contract costing is a variant of _____ Costing.
- Job
 - Process
 - Unit
 - Batch

-- -- --

(Descriptive)

Time : 2 Hr. 30 Mins.

Marks : 50

[Answer question no.1 & any four (4) from the rest]

1. Calculate Economic Order Quantity in each of the following cases: 10
- a) Annual input required 28800 units, ordering cost per order Rs.75, Carrying cost per unit 24% per annum. Purchase Price of Input Unit Rs.50 per unit
 - b) Monthly demand of Product X-6000 units, 2.5 units of raw materials are required to produce one unit of product X. Ordering cost per order Rs.75, Carrying cost per unit 24% per annum. Purchase Price of Input unit Rs.50 per unit.
 - c) Monthly demand of Product X-6000 units, 2.5 units of product X are obtained from one unit of raw materials. Ordering cost per order Rs.75, Carrying cost per unit 2% per month, Purchase price of input unit Rs.50 per unit.
2. Define Cost Accounting. Explain the objectives of Cost Accounting. 3+7=10
3. Alpha Limited manufactures three products namely X - 4000 units, Y - 5000 units and Z - 2500 units. From the following data for the financial year ending 31st March 2020, you are required to calculate gross profit. 10

Particulars	Product X (Rs. in units)	Product Y (Rs. in units)	Product Z (Rs. in units)
Materials	30	32	48
Wages	25	24	32
Overheads	27.5	28	44
Sales	105	80	15.2

4. From the following figures obtained from the cost records of Product A ascertain the Prime cost for the month of August 2021. 10

Particulars	Rs.
Opening stock of raw materials (1.8.2021)	10000
Raw materials purchased	80000
Raw materials returned	5000
Carriage inward for raw materials purchased	4000
Raw materials on 31.8.2021	6000
Work in progress at Prime Cost on 1.8.2021	8000
Work in progress at Prime Cost on 31.8.2021	4000
Chargeable expenses	10000
Productive Wages	40000

5. Which of the following methods of wage payment to workers ▶ 10 -
- a) Time wage system
 - b) Piece wage system
6. a) Define Overhead. Explain various classifications of overhead. 5+5=10
b) Distinguish between apportionment and absorption of overheads.
7. What is an incentive plan for wage payment? Discuss its importance. 2+4+4=10
Distinguish between Halsey and Rowan system of wage payment.
8. Write short notes on(Any two): 5×2=10
- a) Unit Costing
 - b) Job Costing
 - c) Process Costing
 - d) Contract Costing
 - e) Operation Costing

== *** ==