

- Note :** 1) All the questions are compulsory with internal choice.
 2) Use of simple calculation is allowed.
 3) All the workings must form part of your answers.
 4) Figures to the right indicate full marks.
 5) Marks are allotted for neatness and proper presentation.

Q.1

- 1) What is COST, COSTING and COST ACCOUNTING? Explain
 2) What are the features of Cost?
 3) Distinguish between financial accounting and Cost accounting.

[15]

OR

Q. 1. Explain (Any 5) of the following.

- 1) Controllable Cost
- 2) Marginal Cost
- 3) Standard Cost
- 4) Differential Cost
- 5) Cost Reporting
- 6) Variable Cost

[15]

Q.2.

- 1) Explain Economic Order Quantity [EOQ] ? PQR Tubes Ltd are the manufacturer of picture tubes for T.V. The following are the details.

Annual demand = 5200 tubes

Ordering Cost = Rs. 100 per tube

Carrying Cost = 20%

Price per unit = Rs. 500

Find EOQ

[15]

OR

- 2) What are the types of labour Cost? What are the main causes of labour turnover in an industry?

- 3) Classify the following as "Factory Overhead" or "Office and administration overhead" or "Selling and distribution overhead".

- a) Audit fees
- b) Depreciation of Plant and machinery
- c) Works manager salary
- d) Salesmen's commission
- e) Trade fair expenses

OR

Q. 2. From the following prepare Cost sheet.

[15]

| Particulars | Amount (Rs.) |
|--------------------------------|--------------|
| Opening Stock - Raw Material | 5,00,000 |
| Work-in-progress | 1,00,000 |
| Finished goods | 4,00,000 |
| Closing Stock - Finished goods | 5,00,000 |
| Work-in-progress | 1,00,000 |
| Raw Material | 4,00,000 |
| Purchase of Raw Material | 50,00,000 |

| | |
|-----------------------------|-------------|
| Income Tax | 50,000 |
| Direct Wages | 20,00,000 |
| Direct Expenses | 2,00,000 |
| Rent and taxes - Factory | 2,50,000 |
| Rent and insurance - Office | 2,50,000 |
| Fuel and Oil | 2,00,000 |
| Factory insurance | 1,00,000 |
| Office Salary | 4,00,000 |
| Sale by Scrap | 20,000 |
| Printing expenses (office) | 50,000 |
| Audit fees | 20,000 |
| Salesmen Salary | 1,00,000 |
| Carriage inward | 50,000 |
| Carriage outward | 50,000 |
| Cash discount | 10,000 |
| Rent received | 1,00,000 |
| Sales | 1,00,00,000 |

Q. 3.

| Particulars | Sales (Rs.) | Profit (Rs.) |
|-------------|-------------|--------------|
| Period 1 | 10,000 | 2000 |
| Period 2 | 15,000 | 4,000 |

You are required to Calculate

- P/V Ratio
- Fixed Cost
- Break - even - sales
- Sales to earn a profit of 3000 Rs.
- Profit when sales are 8000 Rs.

OR

Q. 3.

- Define marginal Costing and explain its features?
- Define break - even - point? Give its uses and formulas.
- From the following calculate P/V Ratio, break - even - point and Margin of safety.

| Particulars | Amount (Rs.) |
|---------------|--------------|
| Sales | 1,00,000 |
| Fixed Cost | 20,000 |
| Variable Cost | 60,000 |

Q. 4. The following is the trading and profit and Loss account of ABC Ltd. for the year ended 31st March, 2012.

| Particulars | Rs. | Particulars | Rs. |
|------------------------------------|----------|------------------------------------|-----------|
| To Opening Stock of finished goods | 3,00,000 | By Sales | 68,00,000 |
| To opening stock of Raw Material | 2,00,000 | By Closing Stock of finished goods | 4,00,000 |

P.T.O.

| | | | |
|------------------------------|-----------|--------------------------------------|-----------|
| To Purchases | 15,00,000 | By Closing Stock of Raw Materials | 3,00,000 |
| To direct Wages | 10,00,000 | | |
| To Factory Exp. | 8,00,000 | | |
| To gross Profit C/d | 37,00,000 | | |
| | <hr/> | | <hr/> |
| | 75,00,000 | | 75,00,000 |
| To general Exp | 7,00,000 | By gross profit b/d | 37,00,000 |
| To Selling Exp | 12,00,000 | | |
| To Interest on debentures | 50,000 | By dividend received | 3,00,000 |
| To Loss on Sale of Plant | 3,00,000 | | |
| To Provision of tax | 4,50,000 | | |
| To Net Profit | 13,00,000 | | |
| | <hr/> | | <hr/> |
| | 40,00,000 | | 40,00,000 |

Costing Records show the following.

- Opening Stock of finished goods Rs. 4,00,000
- Closing Stock of finished goods Rs. 7,00,000
- Direct Wages Rs. 14,00,000
- Factory overheads Rs. 10,00,000
- Administrative overheads Rs. 5,00,000
- Selling overheads Rs. 18,00,000.

You are required to prepare a cost sheet for the year ended 31st March, 2012 and the statement of reconciliation between financial and cost accounts.

OR

Q. 4. Answer the following.

[15]

- What is cost sheet? Write the features of cost sheet.
- What is meant by reconciliation between cost and financial records? Explain the need and importance for such reconciliation.
- Mention (Any 5) items that are to be ignored while preparing cost sheet.

