Roll No.______________

TimeAllowed:3 hour
Max.marks:100
Pass Marks:40%

UNIVERSITY OF GUJRAT
A WORLD CLASS UNIVERSITY

(B.com Part-II)

Cost Accounting

Attempt **FIVE** Questions in all. Question No.1 is Compulsory.

1) Define any EIGHT of the Following:

PRODUCT COSTS	DEFECTIVE PRODUCTION
AVOIDABLE COSTS	PRACTICAL CAPACITY
CONVERSION COSTS	NORMAL LOSS
FINISHED GOODS	QUANTITY DISCOUNT
ORDER LEVEL	SCRAP

2) From the following information of Hamza Company prepare an income statement for the year ended December,31,2012

Beginning inventory (at sales price)	Rs.65,000
Purchases during the period (at cost price)	4,50,000
Closing Inventory (at sales price)	75,000
Sales (at sales price)	5,90,000

Selling Expenses amounted to 3% of sales and Administrative Expenses amounted to 2% of sales.

3) From the following you are asked to compute:

a) Order Point b) Minimum Limit c) Maximum Limit d) Danger Limit

Average daily requirements	20 units
Time required for receipt	50 Days
Economic Order Quantity	1000 units
Maximum Daily Consumption	30 Units
Minimum Daily Consumption	10 Units
Time to get emergency supply	5 days

4) A company has received an order for 2,500 shirts. It incurred the cost as follows

Material cost	Rs.24.00 per unit
Labour cost	Rs.16.50 per unit
Factory overhead cost	Rs.13.50 per unit

When the lot was completed, inspection was made and found 200 shirts spoiled which were sold for Rs. 32.40 each.

Required: i) Journal entries, if loss is charged to same job.
ii) Journal entries, if loss is charged to all production of the year.

5) Mr. A takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His day rate is 0.75paisa an hour. Calculate the earnings of worker under:
a) Piece work plan b) Rowan plan c) Halsey Premium plan

6) Factory overhead variance analysis for the year ended December 31,2012 showed the following data:

Budget F.O.H for capacity attained	Rs.55,000
Volume Variance(Cr.)	Rs.2500
Budget variance (Dr.)	Rs 1,000

Required: a) Actual factory overhead for the year. B) Applied factory overhead for the year.

7) Packages Ltd. Uses process costing in its two production departments . Materials are added at the end of the process after quality control inspection. No abnormal spoilage occurred during the month. Spoilage is recovered at cost incurred by department II during October were:

Materials	Rs.8,000
Conversion costs	Rs. 36,000

A total of 2000 units were transferred to finished goods inventory .The 300 units still in process at the end of October were 2/3 completed as to conversion cost.

Required: cost of production report for department II.

8) Explain how some non-manufacturing firms use job order costing.
9) Discuss the methods of pricing Issues of Material.

****B.com-II(15/A)****