

19-12-2015

**DOON UNIVERSITY, DEHRADUN**

**Final Examination, 2015**

**School of Management (IMBA 5 yrs. III<sup>rd</sup> Sem.)**

**Course: IMBA-306- : Cost Accounting**

*Time Allowed: 3 Hours*

*Maximum Marks: 50*

*(Note: Sections A and B are compulsory and attempt any 3 questions from Section C.)*

**SECTION : A**

**(Marks:16)**

Q1(a) What is cost accounting? Explain briefly its objects and advantages.

(b) Prepare the Cost-sheet with the help of the following information for the year 2014.

Total Production	10,000 Tons
Cost of raw materials	Rs. 2,00,00,000
Carriage Inward	Rs. 2,00,000
Direct wages	Rs. 1,00,00,000
Indirect wages	Rs. 10,00,000
Salary for Works Director	Rs. 50,000
Office expenses	Rs. 20,00,000
Salary of Managing Director	Rs. 2,00,000
Director's fees	Rs. 1,50,000
Selling and Distribution overheads	Rs. 20,00,000
Expenses for works	Rs. 1,00,000
Payment of Income tax	Rs. 30,00,000
Dividend paid	Rs. 30,00,000

**SECTION : B ( Write short notes on the following)**

**(Marks: 2x5=10)**

1. Labour Turnover
2. Piece-Rate-Wage-System
3. Allocation of Overheads
4. Operating Costing
5. Departmentalisation of overheads

**SECTION : C (Long Answer Type Questions. Attempt any Three Questions).**

**(Marks: 8 x 3)**

Q1. Describe briefly the various methods of costing. State giving reasons, which method of costing you would recommend for use in the following:

- (a) Chemical works (b) Road transport company.

Q2. A Limited company manufactures and sells three chemicals produced by consecutive process known as A, B and C. In each process 2% of the total weight put in is lost and 10% is residue which is from process A and B realised Rs. 100 per ton and from process C Rs. 20 per ton. The products of the three processes are dealt with as follows:

Particulars	A	B	C
Sent to warehouse for sale	25%	50%	100%
Passed on to the next process	75%	50%	-
Materials used (tons)	1000	140	1348
Cost per ton of Material used (Rs.)	120	200	80
Manufacturing expenses (Rs.)	30,800	25,760	18,100

Prepare an account for each process, showing the cost per ton of each product.

Q3. A transport service company is running 4 buses between two towns which are 50 kms. apart. Seating capacity of each bus is 40 passengers. The following particulars were obtained from their books for April, 2015.

Wages of Drivers & Conductors	Rs. 2,400
Salaries of Office Staff	Rs. 1,000
Diesel, Oil etc.	Rs. 10,800
Repairs & Maintenance	Rs. 5,400
Tax & Insurance, etc.	Rs. 2,000
Depreciation	Rs. 9,000
Interest and Other Charges	Rs. 1,800

Actual passenger carried were 75% of seating capacity. All the four buses run on all the days of the month. Each bus made one round trip per day. Find out the cost per passenger/km.

Q4. The following figures related to the costing of a manufacture of electric fans of one uniform size and quality for the period of three months:

Completed stock on 1 <sup>st</sup> October, 2014	Nil
Completed stock on 31 <sup>st</sup> December, 2014	Rs. 20,250
Stock of Raw materials on 1 <sup>st</sup> October, 2014	Rs. 5,000
Stock of Raw materials on 31 <sup>st</sup> December, 2014	Rs. 3,500
Factory wages	Rs. 75,000
Indirect charges	Rs. 12,500
Materials purchased	Rs. 32,500
Sales	Rs. 1,12,500

The number of fans manufactured during the three months, was 3000. Prepare a statement showing the cost per fan and price to be quoted for 750 fans to realise the same percentage of profit as was realised during the three months referred above assuming identical cost.