

**DOON UNIVERSITY, DEHRADUN**  
**Mid-Term Examination, 2014**  
**School of Management (IMBA-5 yrs. I Sem.)**  
**Course: IMBA-306 –: Cost Accounting**

*Time Allowed: 2 Hours*

*Maximum Marks: 30*

*(Note: Attempt All Questions from Sections A and B and any 2 from Section C.)*

**SECTION : A**

*(Marks:10)*

Q1) From the following informations, you are required to ascertain :

- (a) Value if raw material consumed.
- (b) Cost of production
- (c) Cost of turnover
- (d) Net profit per ton of manufactured goods sold.

	Rs.
Purchase of raw materials	1,32,000
Direct wages	1,10,000
Carriage Inward	1,580
Rent, Rates and Insurance on works	44,000
Opening stock of raw materials	22,000
Opening stock of finished goods (800 tons)	17,600
Closing stock of raw materials	24,460
Closing stock of finished goods (1600 tons)	35,200
Opening work in progress	5,280
Closing work in progress	17,600
Sale of finished goods	3,30,000
Cost of supervision	8,800

Advertising and selling expenses amounted to Rs. 0.75 per ton sold. 12,800 tons were produced during the period.

**SECTION : B ( Short Answer Type Questions )**

*(Marks: 1x5=5)*

Write short notes on:Semi variable expenses

1. Any 2 objectives of cost accounting.
2. Any 2 disadvantages of cost accounting
3. Marginal costing
4. Batch costing
5. Semi variable expenses

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

*(Marks: 7.5 x 2)*

Q1) From the following data, prepare a Cost and Production Statement .

	Rs.
Stock of Materials on 1.1.2009	10,000
Stock of Materials on 31.12.2009	5,000
Purchase of Materials	15,000
Factory wages	30,000
Factory expenses	10,000
Establishment expenses	10,000
Completed stock on 1.1. 2009	5,000
Completed stock on 31.12.2009	12,000
Sales	72,450

The number of stove manufactured during the year 2009 was 500. The company wants to quote for a contract for the supply of 2,000 electric stoves during 2010. The stoves to be quoted are of uniform quality and are similar to those manufactured in the previous year, but cost of materials has increased by 15% and cost of factory labour by 10%.

Prepare a Statement showing the price to be quoted to give the same percentage of net profit on turnover as was realized during the year 2009 assuming that the cost per unit of overhead charges will be the same as in the previous year.

Q2) Define cost accounting. Explain its advantages.

Q3) What are elements of cost. Describe them.