



7-12-16

DOON UNIVERSITY, DEHRADUN

Final Semester Examination, 2016 ,Third Semester

School of Management

IMBA

Course: IMBA 306: Foundation of Cost Accounting

Time Allowed: 3 Hours

Maximum Marks: 50

SECTION: A (Short Answer Type Questions/ to be answered in about max 50 words).

Attempt all questions.

(Marks: 2 x5=10)

1. What are the functions of cost accounting?
2. What is cost audit?
3. What do you understand by apportionment of overheads?
4. What is inter process profit?
5. What is the nature of cost accounting?

SECTION: B (Short Answer Type Questions to be answered in about 150 words).

Attempt all questions.

(Marks: 5 x4=20)

1. What is the accounting procedure of process costing?
2. Explain the classification of overheads.
3. What are the advantages and limitations of cost accounting?
4. The HR department of a company gives you the following information regarding labour. Calculate Labour turnover rate using (a) Separation method (b) Replacement method (c) Flux method.
No. of workers on the payroll:
At the beginning of the month: 2700
At the end of the month: 3300
During the month 40 persons quit while 60 persons are discharged. 400 workers are required during the month, of these 100 workers are recruited in the vacancies of those leaving while the rest were engaged in accordance with the expansion scheme.

SECTION: C (Medium Answer Type Questions to be answered in about 300 words).

Attempt any TWO questions.

(Marks: 10 x2=20)

1. Explain the operating cost with respect to transport services in detail.
2. In a workshop monthly input of material @ Rs. 80/kg is 15000 kg. Other expenses in the workshop amount to Rs. 5, 00,000. Normal loss is 5% of input and it realises @13.50/unit. Actual output is equal to normal output i.e., 12000 units. Due to an accident in the workshop the actual output is found to be Rs. 11000 units. Prepare process account, normal loss account and abnormal loss account.
3. Prepare cost sheet of ABC Company from the following particulars showing the profit:

Raw material purchased: 1, 20,000

Paid freight charges: 10, 000

Wages paid to labour: 35, 000

Factory overhead: 20% of prime cost

Selling and distribution expenses: 11206

	Opening Stock (Rs.)	Closing Stock (Rs.)
Raw material	15000	20, 000
Work in progress	17,500	24,000
Finished goods	20, 000	27,500