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Total Number of Pages : 02

IMBA
16IMN305

3rd Semester Regular / Back Examination: 2021-22

COST ACCOUNTING

BRANCH(S): IMBA

Time : 3 Hour

Max Marks : 100

Q.Code : OF539

Answer Question No.1 (Part-1) which is compulsory, any eight from Part-II and any two from Part-III.

The figures in the right hand margin indicate marks.

Part-I

Q1 Answer the following questions :

(2 x 10)

- What are the components of Prime cost?
- How do you find cost of production of a product?
- Give at least 3 examples of Selling and Distribution overheads.
- State the difference between cost and expense.
- What are overheads?
- What is a cost unit? Give at least 4 examples.
- What is Labour Turnover? Is it good for the company?
- When will you use process costing in a factory?
- What is abnormal loss in process costing?
- What is a Master Budget

Part-II

Q2 Only Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve)

(6 x 8)

- Classify costs according to variability.
- A factory produces 100 units of a commodity. The cost of production is as follows:
Direct Material Rs 80,000; Direct Wages Rs 30,000, Direct Expenses Rs 15,000.
Factory Overheads is 120% on wages. Office Overheads 40% on works cost.
Expected profit is 20% on sales. Prepare a cost sheet and price to be fixed per unit
- Why should there be material control in a business concern?
- Find the EOQ and the number of orders per year from the following data:
Annual usage 1000 units, cost of material per unit Rs20 and cost of placing one order is Rs40.
- Write the advantages of valuing materials under LIFO method.
- Discuss the merits of time wage system.
- Classify overheads based on functions. Give two examples from each category
- Distinguish between Fixed overhead and Variable overhead

- i) What are the cost units used for the following types of services:
 Bus Service, Hospital Service, Electricity Supply, Canteen Service, Cinema
 Theater, Hotel Service
- j) Narrate the advantages and disadvantages of Process Costing.
- k) The fixed Cost for the year is Rs90,000. Variable Cost per unit is Rs6. Estimated Sales for the period is Rs200,000. Each unit sells at Rs22. Calculate the BEP by applying relevant formula. The Firm sells all the items what it produces in the year.
- l) Write a brief note on Activity based costing.

258

258

258

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Part-III

Only Long Answer Type Questions (Answer Any Two out of Four)

- Q3** State the important objectives of Cost Accounting. What factors would you consider to install a costing system in a manufacturing concern? **(16)**
- Q4** What are the purposes of preparing a Budget? Write the salient features of a Budgetary Control System **(16)**
- Q5** Explain the Direct Costs and Indirect Costs recognized in Cost Accounting. **(16)**
- Q6** Draw a Break Even Chart and explain the features of each item. **(16)**

258

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