

Roll No.

Total No. of Pages : 02

Total No. of Questions : 07

B.Com.(P) (2011 & Onwards) (Sem.-4)

COST ACCOUNTING – I

Subject Code : BCOP-403

Paper ID : [B1142]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and a student has to attempt any FOUR questions.

SECTION-A

1. Write briefly :

1. Distinguish between controllable cost and uncontrollable cost.
2. What do you understand by 'Inventory Control' state its objects?
3. If the minimum stock level and average stock level of raw material A are 4,000 and 9,000 units respectively, find out its reorder quantity.
4. Distinguish between 'Allocation and Apportionment of Overheads'.
5. Write a note on 'Accounting for by-product'.
6. Difference between absorption costing and marginal costing.
7. Distinguish between contribution and profit.
8. Product A requires 10 Kgs of material at the rate of Rs. 4 per Kg. The actual consumption of material for the manufacturing of Product A came to 12 Kgs of material at the rate of Rs. 4.50 Kg. Calculate material cost variance.
9. What is environmental costing?
10. What do you mean by Zero Based Budgeting?

SECTION-B

2. State the steps that you would take for installation of a costing system in an organisation.
3. a) Compute EOQ and the total variable cost for the following :

Annual Demand	5,000 units
Unit Price	Rs. 20.00
Order Cost	Rs. 16.00
Storage Rate	2% per annum
Interest Rate	12% per annum
Obsolescence rate	6% per annum

b) Determine the total variable cost that would result for the items if an incorrect price of Rs. 12.80 is used.
4. Distinguish between Job Costing and Batch Costing.
5. Define Process Costing and explain its working. For which kinds of business is process costing suitable?
6. Given following information you are to a) calculate and present the marginal product cost and contribution per unit, b) state which of the alternative sales mix you would recommend to the management, and why

	Per unit
Selling price	X Rs. 25; Y Rs. 20
Direct Materials	X Rs. 8; Y Rs. 6
Direct Wages	X 24 hrs at Rs. 0.25 per hour Y 16 hrs at Rs. 0.25 per hour
Fixed Overhead	Rs. 750
Variable Overhead	150% of direct wages

Alternative Sales mix

 - a) 250 units of X and 250 units of Y
 - b) Nil unit of X and 400 units of Y
 - c) 400 units of X and 100 units of Y.
7. What do you mean by 'product life cycle'? Mention the relevant methods of costing relating to the life cycle costing.