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BASOMC 381

**Choice Based Credit System Sixth Semester B.A.
Degree Examination, September 2022
OFFICE PRACTICE AND MANAGEMENT
(2021 – 2022 Batch Onwards)
Paper – VII : Cost and Management Accounting**

Time : 3 Hours

Max. Marks : 120

SECTION – A

Answer **all** questions :

(5×6=30)

1. Define the term Costing. What are the objectives of Cost Accounting ?
2. Explain Cost Centre. What are its types ?
3. What is Time Booking ? How it differs from Time Keeping ?
4. How do you treat the following items in a Cost Sheet ?
 - a) Salesman Commission
 - b) Milk used for making ice cream
 - c) Unproductive wages
 - d) Drawing office salary
 - e) Showroom expenses
 - f) R and D expenses.
5. The following quotation is received for the supply of a chemical.
300 kg – Rs. 90 per kg
400 kg – Rs. 85 per kg
500 kg – Rs. 80 per kg.

Cash discount is allowed @ 5%, if payment is made within one month. Trade discount allowed @ 25%.

Freight and forwarding charges are levied at Rs. 1,000. One container is required for every 50 kg of chemicals. For each container, Rs. 75 is charged. However credit will be allowed at Rs. 40, if the containers are returned within one month. Calculate the purchase price 500 kg of chemicals assuming that the containers are returned within one month.

P.T.O.



SECTION – B

Answer **any three** of the following :

(3×10=30)

6. Explain the various methods of costing with examples.
7. What is labour turnover ? What are its effects and causes ?
8. From the following information, prepare a Cost Sheet for the month of March 2021.

Stock on 1st March 2021 :

Raw materials	–	Rs. 40,000
Work in Progress	–	Rs. 9,600
Finished goods	–	Rs. 2,000

Purchase of raw materials	–	Rs. 2,40,000
Direct wages	–	Rs. 2,00,000
Direct expenses	–	Rs. 3,000
Factory overheads	–	Rs. 64,000
Administrative overheads	–	Rs. 32,000
Selling and distribution overheads	–	Rs. 60,000
Sale of finished goods	–	Rs. 5,40,000

Stock on 31st March 2021 :

Raw materials	–	Rs. 44,480
Work in progress	–	Rs. 32,000
Finished goods	–	Rs. 4,000

9. The following information regarding coal is obtained from the stores record of Ganesh Steels Ltd. for Dec. 2021.

1	– Opening balance	500 tons
2	– Issued on MR No. 18	160 tons
3	– Received from vendor by GR No. 101	240 tons
7	– Issued on MR No. 19	180 tons



12	– Issued on MR No. 20	60 tons
17	– Received from vendor GR No. 102	200 tons
24	– Issued on MR No. 21	150 tons
30	– Received from vendor GR No. 103	250 tons
31	– Issued on MR No. 22	170 tons

Stock verified on Dec. 25, 2021 revealed a shortage of 200 tons and 100 tons of surplus on 26th Dec. 2021.

Maximum level – 1000 tons, Minimum level – 200 tons, Ordering level – 300 tons.

Prepare a Bin Card No. 351 for material ‘Coal’ for which code no. is C5A2.

SECTION – C

Answer **any three** of the following questions : **(3×20=60)**

- 10. Distinguish between Cost and Financial Accounting and explain the advantages of cost accounting to Management.
- 11. What is Time Keeping ? What are its objectives ? Explain the different methods of time keeping.
- 12. From the following particulars, prepare a Cost Sheet showing the components of total cost and profit for the year ended 31-12-2021.

	Rs.	Rs.
Stock on	1-1-2021	31-12-2021
Raw materials	80,000	1,00,000
Work in progress	30,000	20,000
Finished goods	12,000	30,000
Purchase of raw materials	9,50,000	
Direct wages	3,25,000	
Factory employees salary	1,30,000	
Power expenses	18,000	
General expenses	65,000	
Income tax paid in advance	5,555	



Debenture interest	5,000
Drawing office salary	5,000
R and D expenses	5,600
Carriage inward	35,000
Factory manager salary	50,000
Factory rent and taxes	15,000
Other factory expenses	85,000
Dividend paid	1,000
Counting house salary	7,000
Goodwill written off	10,000
Sales	17,65,000

13. Draw a Stores Ledger Account recording the following transactions under FIFO method.

- August 1 Opening balance was 500 units @ Rs. 20 per unit.
- " 2 Issued 100 units
 - " 5 Issued 50 units
 - " 7 Issued 200 units
 - " 12 Purchased 200 units @ Rs. 9.5 per unit
 - " 13 Refund of surplus from a work order 20 units @ Rs. 18 per unit
 - " 17 Issued 200 units
 - " 21 Purchased 150 units @ Rs. 20.5 per unit
 - " 25 Issued 250 units
 - " 27 Purchased 300 units @ Rs. 20 per unit
 - " 30 Issued 200 units
 - " 31 Refund of surplus from a work order 15 units @ Rs. 20.5 per unit.

Stock verification reveals a loss of 5 tons on 15th Dec. and another shortage of 4 units on 28th Dec.
