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FIRST YEAR B.COM.
COURSE NAME: BASICS OF COST ACCOUNTING & MATERIAL COST
COURSE CODE:24COB11101A
(Semester I)

Program : B.Com
Program Specific : B.Com
SET : A

Credits : 4
Time : 3 Hours
Max. Marks: 60

Instructions to the candidate:

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of calculator is allowed.

Q1. A] Fill in the blanks : [5 X 1 = 5]

- a) _____ level lies between minimum level and maximum level.
- i. Re-order Level
 - ii. Danger Level
 - iii. Safety Level
 - iv. All of the above
- b) Direct material forms part of _____.
- i. ratio analysis
 - ii. prime cost
 - iii. cost of production
 - iv. cost of sales
- c) Overheads consist of _____
- i. all prime Cost
 - ii. all indirect cost
 - iii. both ,indirect cost and direct cost
 - iv. none of the above
- d) Chargeable Expenses are also known as _____.
- i. Direct Expenses
 - ii. Overhead
 - iii. Office Expenses
 - iv. Fixed Cost

- e) In a cement company, _____ is cost unit .
- i. per unit
 - ii. per kg
 - iii. per cubic meter
 - iv. None of the above

Q1. B] State True or False :

[5 X 1 = 05]

- a) Cost Accounting begins where financial Accounting ends.
- b) All overheads are expenses, but all expenses are not overheads.
- c) Bin card and store ledger are same .
- d) Cost - Profit = Sales is the equation of Costing
- e) Prime costs are aggregated of Direct Cost, Overheads and Direct Expenses.

Q2) Write short notes on ANY FOUR of the following:

[4 X 5= 20]

- a) Meaning & Importance of ABC Analysis
- b) Behaviourwise classification of Cost
- c) Purchase procedure
- d) Elements of Cost
- e) Specimen /format of Bin Card
- f) Direct Labour and Indirect Labour

Q3) Attempt the following question:

[15]

Prepare a **Store Ledger** of material **E-DOM** from the following particulars adopting **First –In – First-Out method** of pricing of material issues in the books of **Elite Co. ltd., Elora** for the month August 2024

1st Opening stock - 200 pieces @ Rs.2

Purchases:

5th 100 pieces @ Rs.2.20 - Goods Received Note - 7
10th 150 pieces @ Rs.2.40 - Goods Received Note - 12
20th 180 pieces @ Rs.2.50 - Goods Received Note - 15
29th 120 pieces @ Rs.2.30 - Goods Received Note - 24

The issues of materials are also provided for the month August 2024

Issues:

2 nd	150 pieces	-	Material Requisition Note- 6
7 th	100 pieces	-	Material Requisition Note- 10
12 th	100 pieces	-	Material Requisition Note- 17
28 th	200 pieces	-	Material Requisition Note- 23
31 st	Defectives	-	15 pieces

Q4. Solve following problems [BOTH PROBLEMS ARE COMPULSORY]

[10+5=15 Marks]

a) From the following Particulars find out: **[10]**

- 1. Re-order Level**
- 2. Maximum Level**
- 3. Minimum Level**
- 4. Average stock Level**

The particulars are as follows:

Economic Ordering quantity : 900 units

Consumption levels:

Normal Consumption	:	150 units per week
Maximum Consumption	:	225 units per week
Minimum Consumption	:	75 units per week

Period of receiving the goods:

Normal Period	-	5 weeks
Minimum Period	-	4 weeks
Maximum Period	-	6 weeks

b) Find out the **Economic Order Quantity** from the following information: **[05]**

- The Annual consumption of material is 15000 kg
- Cost of placing an Order is Rs. 48
- Cost of raw material is Rs. 2 per kg
- Storage cost is 8% on average inventory
