



**Biyani Girls College**  
**I Internal Examination 2019-20**  
**B.COM. (II Year)**  
**Subject- COST ACCOUNTING**

Time: 1.30 Hrs.

Set: B

MM: 40

**[I] Multiple Choice Questions**

**(10\*1=10)**

- 1) Indirect material scrap is adjusted along with \_\_\_\_\_.  
(a) Prime cost      (b) Factory Cost      (c) Labour Cost      (d) Cost of Goods Sold
- 2) Audit Fees is a part of \_\_\_\_\_.  
(a) Works cost      (b) Selling overheads      (c) Distribution overheads      (d) Administration overheads
- 3) Fixed cost per unit increases when \_\_\_\_\_.  
(a) variable cost per unit increases      (b) variable cost per unit decreases  
(c) production volume increases      (d) production volume decreases
- 4) The stores keeper should initiate a purchase requisition when stock reaches \_\_\_\_\_.  
(a) Average Stock Level      (b) Minimum Stock Level  
(c) Maximum stock level      (d) Re Order Level
- 5) If total cost of 100 units is Rs 5000 and those of 101 units is Rs 5030 then increase of Rs 30 in total cost is  
(a) Marginal cost      (b) Prime cost      (c) All variable overheads      (d) None of the above
- 6) In two periods total costs amounts to Rs 50000 and Rs 40000 against production of 20000 and 15000 units respectively. Determine marginal cost per unit and fixed cost.  
(a) Rs 2 and Rs 10,000      (b) Rs 4 and Rs 5000  
(c) Rs 10 and Rs 8000      (d) None of the above
- 7) Prime cost plus variable overheads is known as \_\_\_\_\_.  
(a) Cost of sales      (b) Production cost      (c) Total cost      (d) Marginal cost
- 8) Determine Contribution if Sales is Rs 1,50,000 and P/V ratio is 40%.  
(a) Rs 60,000      (b) Rs 70,000      (c) Rs 3,75,000      (d) None of the above
- 9) Given sales is Rs 2,00,000 and Rs 4,00,000 in year 2013 and 2014 respectively. Cost is Rs 1,40,000 and Rs 2,40,000 in 2013 and 2014 respectively. Compute P/V ratio  
(a) 40%      (b) 30%      (c) 25%      (d) 50%
- 10) Determine B.E.P if Sales is Rs 1,00,000, Variable cost is Rs 50,000 and Profit is Rs 20,000.  
(a) Rs 60,000      (b) Rs 40,000      (c) Rs 80,000      (d) none of the above

**[II] Long type Questions:**

**(10\*3=30)**

- 1) The Bangalore Ltd. supplies you the following information and requires you to prepare a cost sheet.

Stock of raw materials on 1st Sept., 2013	75,000
Stock of raw materials on 30th Sept., 2013	91,500
Purchases of raw materials	66,000
Expenses on purchases	1,500
Direct wages	52,500
Indirect wages	2,750
Work-in-progress on 1st Sept., 2013	28,000
Work-in-progress on 30th Sept., 2013	35,000
Factory rent, rates and power	15,000
Depreciation of plant and machinery	3,500
Carriage outward	2,500
Advertising	3,500
Office rent and taxes	2,500
Traveler's wages and commission	6,500
Stock of finished goods on 1st Sept., 2013	54,000

Stock of finished goods on 30th Sept., 2013	31,000
Sales	2,00,000

2) In a factory component A is used as follows:

- Normal usage – 50 kg per week
- Minimum usage – 25 kg per week
- Maximum usage – 75 kg per week
- Re-order quantity 300 kg.
- Re-order period 4 to 6 weeks.

Calculate for component A:

(i) Re-order level    (ii) Maximum level.    (iii) Minimum level; and    (iv) Average stock level.

3) Calculate following with help of below mentioned DATA

Particulars	Year 1	Year 2
Sales	10,00,000	20,00,000
Profit/(Loss)	(2,00,000)	3,00,000

A. PV Ratio    B. Fixed cost    C. Sales required to earn 4,00,000 profit after Tax (Tax Rate 60%)

D. BEP    E. Profit if sales is Rs.18,00,000