Program: T.Y.B.Com (A&F) Semester: V Program Code: UGAF03

Course: Cost Accounting II Course Code: NUAF502

Duration: 2 Hour Examination Pattern: NEP-Autonomous Max. Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1	(a)	Fill in the blanks with an appropriate answer from the alternatives given.				[08]	CO's	KL's
		I	In transport costing, the common cost unit is: _____				CO1, CO2, CO3, CO4,	L1
			a.	Per kilogram	b. Per litre			
			c.	Passenger-kilometre	d. Per unit produced			
		II	Which of the following is an example of operating costing? _____					
			a.	Cost of producing furniture	b. Cost of running a transport service			
			c.	Cost of manufacturing steel	d. Cost of producing garments			
		III	Cost per unit of service is generally calculated as: _____					
			a.	Total cost ÷ Total service units	b. Total cost × Total service units			
			c.	Total revenue ÷ Total cost	d. Total service units ÷ Total cost			
		IV	The main advantage of an integrated accounting system is: _____					
			a.	Duplication of records	b. Elimination of reconciliation between cost and financial accounts			
			c.	Increase in accounting work	d. Preparation of only financial statements			
		V	Which of the following is a fixed cost in a transport undertaking?					
			a.	Fuel	Lubricants			
			c.	Driver's wages based on trips	Depreciation of vehicles			
		VI	In hotel costing, the cost unit is usually: _____					
			a.	Guest-day or Room-day	b. Passenger-km			
			c.	Machine-hour	d. Kilowatt-hour			

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		VII	Diesel expense is generally: _____						
			a.	Fixed Cost	b.	Variable Cost			
			c.	Semi-fixed Cost	d.	Administrative Cost			
		VIII	The first step in Activity Based Costing is generally to: _____						
			a.	Calculate profit	b.	Identify activities			
			c.	Determine selling price	d.	Prepare the balance sheet			
	(b)	**State whether the following statements are true or false.**					**[07]**		
		I	Integrated accounting provides cost and financial information through a unified accounting system.					**CO1, CO2, CO3, CO4**	**L1**
		II	In a non-integrated system, cost accounts and financial accounts are maintained separately.						
		III	ABC can provide more accurate product costing when different products consume overhead resources differently.						
		IV	Operating costing is mainly used by service organizations.						
		V	A cost driver is a factor that causes or influences the cost of an activity.						
		VI	In a non-integrated system, cost accounting information is completely absent.						
		VII	Passenger-kilometre is a common cost unit used in transport costing.						
Q. 2	**(a)**	A truck owner provides you the following information: Capacity of truck : 10 tonnes Distance covered each way : 50 kms No. of round trips per day : 2 No. of days operated : 25 days a month Operating cost of a truck : ₹ 55,000 per month On outward trip freight is available to the extent of 90% capacity and on return 20% of capacity. Required: Calculate: (a) Tonne-kms per month (b) Operating cost per tonne-km (c) Rate per tonne-km per trip to be charged so as to earn a profit of 50% on freight (d) Freight earned per outward trip (e) Freight earned per inward trip.						**[15]**	**CO1**	**L3**
		OR							
	(b)	From the following particulars, pass journal entries in an integrated system of accounting in the books of XYZ Ltd.					**[15]**		

Particulars	₹
Raw materials purchased (75% on credit)	21,00,000
Materials issued to production	9,00,000
Total wages paid	15,00,000
Wages charged to production	11,00,000
Factory overheads incurred	10,00,000
Factory overheads charged to production	5,00,000
Office overheads incurred	8,00,000
Office overheads applied to finished goods	5,00,000
Selling and Distribution overheads incurred	7,00,000
Selling and Distribution overheads applied to cost of sales	4,00,000
Finished goods produced	9,00,000
Materials issued for construction of Building	6,00,000

CO2 L3

Q. 3 **(a)** As on 31st March, 2023, the following balances existed in Sharad Co. Ltd.'s Cost Ledger. **[15]**

Particulars	Dr. (₹)	Cr. (₹)
Stores Ledger Control Account	6,02,870	-
Work in Progress Control Account	2,44,730	-
Finished Stock Ledger Control Account	5,03,890	-
Manufacturing Overhead Control Account	-	21,050
Cost Ledger Control Account	-	13,30,440
Total	**13,51,490**	**13,51,490**

CO3 L3

During the next three months, the following items arose:

Particulars	₹
Finished Product (At Cost)	4,21,670
Manufacturing Overhead Incurred	1,83,020
Raw Materials Purchased	2,46,000
Factory Wages	1,01,060
Indirect Labour	43,330
Cost of Sales	3,71,780
Materials Issued to Production	2,54,630
Sales return at Cost	10,760
Materials returned to Suppliers	5,800
Manufacturing Overhead Charged to Production	1,54,400

You are required to write up:
(a) Cost Ledger Control Account

		(b) Stores Ledger Control Account (c) Overhead Control Account (d) Work in Progress Control Account (e) Finished Stock Ledger Control Account (f) Cost of sales A/c			
		OR			
	(b)	Canara Bank operated for years under the assumption that profitability can be increased by increasing Rupee volumes. But that has not been the case. Cost analysis has revealed the following:	**[15]**	**CO4**	**L3**

Activity	Activity Cost (₹)	Activity Driver	Activity Capacity
Providing ATM Service	1,00,000	No. of transactions	2,00,000
Computer Processing	10,00,000	No. of transactions	25,00,000
Issuing Statements	8,00,000	No. of statements	5,00,000
Customer Inquiries	3,60,000	Telephone minutes	6,00,000

The following annual information on three products was also made available:

Particulars	Savings Accounts	Personal Loans	Credit Cards
Units of product	30,000	5,000	10,000
ATM transactions	1,80,000	0	20,000
Computer transactions	20,00,000	2,00,000	3,00,000
Number of statements	3,00,000	50,000	1,50,000
Telephone minutes	3,50,000	90,000	1,60,000

Required:

1. Calculate rates for each activity.
2. Using the rates computed in requirement (1), calculate the cost of each product.

Q. 4	**(a)**	Sarswati Computers manufactures mouse devices for computers. They make 12 different models of mouse devices as well as several other types of computer components. They use activity-based costing to assign manufacturing overheads to products. The data relating to one of their products. wireless remote mouse and the ABC cost pools are given below. **(a) Wireless Remote Mouse:** Annual production, 20,000 units, Direct materials per unit ₹ 310, Direct labour per unit ₹ 60. **(b) Manufacturing overhead cost pools**	**[15]**	**CO4**	**L3**

	Cost Pool	Cost	Cost Driver
1.	Materials Ordering	80,00,000	Number of Purchase Orders
2.	Materials Inspection	40,00,000	Number of Receiving Reports
3.	Equipment Setup	2,00,00,000	Number of Set ups
4.	Quality Control	90,00,000	Number of Inspections
5.	Others	15,00,00,000	Direct Labour Cost
	Total Manufacturing Overheads	**19,10,00,000**	

(c) Activity Information related to cost drivers

	Cost Pool	Annual Activity	
		All Products	**Remote Mouse**
1.	Materials Ordering	10,00,000 Orders	10,000 Orders
2.	Materials Inspection	20,000 Receiving Reports	3,000 Reports
3.	Equipment Setup	1,000 Set ups	10 Set ups
4.	Quality Control	40,000 Inspections	4,000 Inspections
5.	Others	10,00,000 Direct Labour Hours	1,20,000 Direct Labour Hours

Required:

(a) Calculate the overhead rate per unit of activity for each of the 5 cost pools.

(b) Calculate the total overhead assigned to the production of the remote mouse.

(c) Calculate the overhead cost per unit for the remote mouse.

(d) Calculate the total unit cost for the remote mouse.

OR

(b)	**Short Notes (answer any 3)**	**[15]**		
1.	Explain - an Integrated Cost Accounting System.		**CO1, CO2, CO3, CO4**	**L1, L2**
2.	Disadvantages of a Non-Integrated Cost Accounting System			
3.	Features of Operating Costing.			
4.	Advantages of Activity Based Costing			
5.	Common cost units used in Operating Costing.			

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