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MBA-INT
(SEM V) THEORY EXAMINATION 2024-25
COST ACCOUNTING

TIME: 3 HRS**M.MARKS: 100****Note:** Attempt all Sections. In case of any missing data; choose suitably.**SECTION A****1. Attempt all questions in brief.****2 x 10 = 20**

Q no.	Question	CO	Level
a.	Define cost accounting.		
b.	What is a cost centre?		
c.	Define direct Materials.		
d.	What is maximum stock level?		
e.	What do you mean by work certified?		
f.	Define escalation clause.		
g.	What is Material Cost Variance?		
h.	Define labour Efficiency Variance.		
i.	What is Target cost?		
j.	Define uniform costing.		

SECTION B**2. Attempt any three of the following:****10 x 3 = 30**

a.	“Cost accounting is an aid to management.” Substantiate.		
b.	What do you understand by FIFO? What are its merits and demerits?		
c.	Define Job Costing. What are the advantages and disadvantages of Job Costing? Clearly discuss.		
d.	What are the advantages of standard costing system? Clearly discuss.		
e.	Clearly explain the concept of value chain analysis.		

SECTION C**3. Attempt any one part of the following:****10 x 1 = 10**

a.	Explain the distinction between cost accounting and financial accounting.																		
b.	<p>The following information relates to the manufacture of a product during the month of Jan. 2023:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Raw materials consumed</td> <td style="text-align: right;">Rs. 20,000</td> </tr> <tr> <td>Direct wages</td> <td style="text-align: right;">Rs. 12,000</td> </tr> <tr> <td>Machine hours worked</td> <td style="text-align: right;">1,000 hours</td> </tr> <tr> <td>Machine hour rate</td> <td style="text-align: right;">Rs. 2 per hour</td> </tr> <tr> <td>Office overhead</td> <td style="text-align: right;">20% on works cost</td> </tr> <tr> <td>Selling overhead</td> <td style="text-align: right;">Rs. 0.40 per unit</td> </tr> <tr> <td>Units produced</td> <td style="text-align: right;">20,000 units</td> </tr> <tr> <td>Units sold at</td> <td style="text-align: right;">Rs. 3 each; 18,000 units</td> </tr> </table> <p>Prepare a Cost Sheet and show (a) Prime Cost (b) Work Cost (c) Cost of Production (d) Cost of Goods Sold (e) Cost of Sales (f) Profit</p>	Raw materials consumed	Rs. 20,000	Direct wages	Rs. 12,000	Machine hours worked	1,000 hours	Machine hour rate	Rs. 2 per hour	Office overhead	20% on works cost	Selling overhead	Rs. 0.40 per unit	Units produced	20,000 units	Units sold at	Rs. 3 each; 18,000 units		
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4. Attempt any one part of the following:**10 x 1 = 10**

a.	What are the different methods of controlling inventory?		
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b.	<p>Two components P, Q are used as follows. Normal usage 1000 units per week each. Re-ordering quantity :- P - 20,000 units Q - 8,000 units Re-ordering period:- P - 4 to 6 weeks Q 2 to 4 weeks Minimum usage 2000 units per week each Maximum usage 3000 units per week each. You are required to calculate the following each of the components :</p> <p>(1) Minimum Stock Level (2) Maximum Stock Level (3) Average Stock Level (4) Re-ordering Level</p>		
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5. Attempt any one part of the following: 10 x 1 = 10

a.	What do you mean by batch costing? Also discuss the advantages and limitations of batch costing.		
b.	What is Process Costing? What are its characteristics?		

6. Attempt any one part of the following: 10 x 1 = 10

a.	Clearly explain various labour variances with their formulas.		
b.	<p>From the following particulars calculate:</p> <p>(a) Material Cost Variance (b) Material Price Variance (c) Material Usage Variance (d) Material Mix Variance</p> <p>The Standard Mix of Product is :</p> <p>X 300 Units at Rs. 7.50 per unit Y 400 Units at Rs. 10 per unit Z 500 Units at Rs. 12.50 per unit</p> <p>The Actual Consumption was:</p> <p>X 320 Units at Rs. 10 per unit Y 480 Units at Rs. 7.50 per unit Z 420 Units at Rs. 15 per unit</p>		

7. Attempt any one part of the following: 10 x 1 = 10

a.	What are the various types of responsibility centres? Clearly discuss.		
b.	What is life cycle costing? Also discuss the advantages of life cycle costing.		