

Name:  
Enrolment No:



UNIVERSITY WITH A PURPOSE

**UNIVERSITY OF PETROLEUM & ENERGY STUDIES**  
**End Semester Examination (Online) – July, 2020**

**Program: B.Com (H) & B.Com (BM&I)**  
**Subject/Course: Cost Accounting**  
**Course Code: FINC1007**

**Semester: II**  
**Max. Marks: 100**  
**Duration: 3 Hours**

**IMPORTANT INSTRUCTIONS**

1. The student must write his/her name and enrolment no. in the space designated above.
2. The questions have to be answered in this MS Word document.
3. After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.

		Marks	COs																									
Q.1	Discuss the various cost concepts on the basis of variability and controllability	20	1																									
Q.2	Discuss how materials are managed by the store in an organization by applying various methods of inventory issue.	20	2																									
Q.3	<p>A certain product passes through three processes before it is completed. The output of each process is charged to the next process at a price calculated to give a profit of 20% on transfer price (i.e. 25% on cost price). The output of process III is charged to finish stock account on a similar basis. There was no work-in –progress at the beginning of the year and overheads have been ignored Stock in each process has been valued at prime cost of the process. The following data are obtained at the end of 31<sup>st</sup> March 2018.</p> <table border="1"><thead><tr><th></th><th>Process I (Rs)</th><th>Process II (Rs)</th><th>Process III (Rs)</th><th>Finished Stock (Rs)</th></tr></thead><tbody><tr><td>Direct Material</td><td>4000</td><td>6000</td><td>2000</td><td>-----</td></tr><tr><td>Direct Wages</td><td>6000</td><td>4000</td><td>8000</td><td>-----</td></tr><tr><td>Stock on 31<sup>st</sup> March</td><td>2000</td><td>4000</td><td>6000</td><td>3000</td></tr><tr><td>Sale during the year</td><td>-----</td><td>-----</td><td>-----</td><td>36000</td></tr></tbody></table> <p>From the above information prepare (I) Calculate the profit element at each stage. (II) Actual realized profit (iii) Stock Valuation as would appear in the balance sheet.</p>		Process I (Rs)	Process II (Rs)	Process III (Rs)	Finished Stock (Rs)	Direct Material	4000	6000	2000	-----	Direct Wages	6000	4000	8000	-----	Stock on 31 <sup>st</sup> March	2000	4000	6000	3000	Sale during the year	-----	-----	-----	36000	20	3
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Q.4	<p>A firm of Building contractor began to work on 1<sup>st</sup> April 2018. The following was the expenditure on the contract for Rs. 3,00,000:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Material Issued to the contract</td> <td style="text-align: right;">Rs 51,000</td> </tr> <tr> <td>Plant Used for the contract</td> <td style="text-align: right;">Rs 15,000</td> </tr> <tr> <td>Wages incurred</td> <td style="text-align: right;">Rs 81000</td> </tr> <tr> <td>Other Expenses incurred</td> <td style="text-align: right;">Rs 5,000</td> </tr> </table> <p>Cash received on account to 31<sup>st</sup> March 2019 amounted to Rs 1,28,000 being 80% of the work certified. Of the plant and material charged to the contract, plant which cost Rs 3000 and material which cost Rs 2500 were lost. On 31<sup>st</sup> March, 2019 plant which cost Rs 2000 was returned to store. The cost of work done but uncertified is Rs 1000. The material in hand at site is Rs 2,300.</p> <p>The contractor charges 15% as the rate of depreciation for the plant. Calculate the amounts to be charged to the contract account and the balance that will be shown in the balance sheet.</p>	Material Issued to the contract	Rs 51,000	Plant Used for the contract	Rs 15,000	Wages incurred	Rs 81000	Other Expenses incurred	Rs 5,000	20	4		
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Q.5	<p>A. Find out the BEP sales if the budgeted output is 80,000 units, fixed cost is Rs 4,00,000, selling price per unit is Rs 20 and Variable cost per unit is Rs 10.</p> <p>B. Calculate selling price if marginal cost is Rs 2,400 and P/V ratio is 20%.</p> <p>C. Find out Margin of safety if profit is Rs 20,000 and P/V Ratio is 40%.</p> <p>D. From the following data calculate (i) Breakeven point expressed in amount of sales in rupees and (ii) Number of units that must be sold to earn a profit of Rs 1,60,800.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Selling price</td> <td style="text-align: right;">Rs20 per unit</td> </tr> <tr> <td>Variable manufacturing cost</td> <td style="text-align: right;">Rs 11 per unit</td> </tr> <tr> <td>Variable selling cost</td> <td style="text-align: right;">Rs 3 per unit</td> </tr> <tr> <td>Fixed Factory overheads</td> <td style="text-align: right;">Rs 5,40,000 per year</td> </tr> <tr> <td>Fixed selling cost</td> <td style="text-align: right;">Rs 2,52,000 per year</td> </tr> </table>	Selling price	Rs20 per unit	Variable manufacturing cost	Rs 11 per unit	Variable selling cost	Rs 3 per unit	Fixed Factory overheads	Rs 5,40,000 per year	Fixed selling cost	Rs 2,52,000 per year	20	5
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### ANSWERS