



SAINTGITS COLLEGE OF APPLIED SCIENCES KOTTAYAM, KERALA

SAINTGITS
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First Internal Examination, September 2023

Department of Commerce, Semester 5

COST ACCOUNTING I

Total: 40 marks

Time: 1.5 hours

Section A

Answer any 5 questions. Each question carries 2 marks.

1. What is responsibility centre?
2. Distinguish costing and cost accounting.
3. What is imputed cost?
4. What is a reconciliation statement?
5. Explain tender price.
6. What is scrap?

(5 x 2 = 10 Marks)

Section B

Answer any 3 questions. Each question carries 5 marks.

7. Distinguish cost accounting and financial accounting.
8. Define cost centre. What are different types of cost centres?
9. The accounts of Voltas Air Conditioners Ltd showed the following particulars for the year 2018.

Direct materials 350000

Direct labour 270000

Factory overheads 81000

Administration overheads 56080

What price should the company quote for an air conditioner? It is estimated that Rs. 10000 in material and 7000 in labour will be required for one air conditioner. Absorb factory overheads on the basis of labour and administration overheads on the basis of work cost. A profit of 12.5% on selling price is required.

10. From the following figures, prepare a reconciliation statement.

Net profit as per financial books 63780

| | |
|--|-------|
| Net profit as per cost books | 66760 |
| Factory on cost under recovered in costing | 5700 |
| Administration overhead recovered in excess | 4250 |
| Depreciation recovered in costing | 3950 |
| Depreciation charged in financial books | 3660 |
| Interest received but not included in costing | 450 |
| Income tax provided in financial books | 600 |
| Bank interest credited in financial books | 230 |
| Stores adjustment (credited in financial books) | 420 |
| Depreciation of stock charged in financial books | 860 |
| Dividend appropriated in financial accounts | 1200 |
| Loss due to theft and pilferage provided (only in financial books) | 260 |

(3 x 5 = 15 Marks)

Section C

Answer any 1 question. The question carries 15 marks

11. Explain the various methods of cost classification.
12. Following are the particulars for the production of 2000 mobile phones of Redmi Electronics Company Ltd. For the year 2018.

| | |
|---------------------------|--------------|
| Cost of Materials | Rs. 1,60,000 |
| Wages | Rs. 2,40,000 |
| Manufacturing Expenses | Rs. 1,00,000 |
| Salaries | Rs. 1,20,000 |
| Rent, Rates and Insurance | Rs. 20,000 |
| Selling Expenses | Rs. 60,000 |
| General Expenses | Rs. 40,000 |
| Sales | Rs. 8,00,000 |

The company plans to manufacture 3,000 mobile phones during 2019. You are required to submit a statement showing the price at which phones would be sold so as to show a profit of 10% on selling price. Following additional information is supplied to you:

- (a) Price of Materials is expected to rise by 20%
- (b) Wage rates are expected to show an increase of 5%

- (c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages
- (d) Selling expenses per unit will remain the same.
- (e) Other expenses will remain unaffected by the rise in output

(1 X 15 = 15 Marks)



[Scan QR code for Answer Key]