

2011

Time : 3 hours

Full Marks : 80

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

*Answer from **both** the Groups as directed.*

Group – A

(Objective Type Questions)

Answer **all** questions.

1. Choose the correct answer of the following :

2×10 = 20

(a) Prime cost is made up of :

(i) Material + Labour + Expenses

(ii) Material + Expenses + Factory cost

- (iii) Both of these
 - (iv) None of these
- (b) Factory cost is known as :
- (i) Prime cost
 - (ii) Direct cost
 - (iii) Overheads
 - (iv) None of these
- (c) If the value of certified work is $\frac{1}{4}$ th or more but less than $\frac{1}{2}$ of the contract price then profit can be calculated :
- (i) Profit can not be calculated
 - (ii) $\frac{1}{3}$
 - (iii) $\frac{2}{3}$
 - (iv) None of these
- (d) Loss causes from abnormal causes or due to unforeseen factors :
- (i) Normal loss
 - (ii) Abnormal loss
 - (iii) Abnormal gain
 - (iv) None of these

(e) Two methods of preparing Trial Balance are :

- (i) Debit and Credit Method
- (ii) Total and Balance Method
- (iii) Horizontal and Vertical Method
- (iv) None of these

(f) Trading Account is prepared to find out :

- (i) Gross profit
- (ii) Net profit
- (iii) Both of these
- (iv) None of these

(g) Sundry Creditors is :

- (i) Current liability
- (ii) Long term liability
- (iii) Fixed liability
- (iv) None of these

(h) Break Even Point is the point where :

- (i) Point of maximum profit
- (ii) Point of minimum profit
- (iii) Point shows no profit and no loss
- (iv) None of these

- (i) The flow of fund is said to have taken place when :
- (i) Cash is paid to creditors
 - (ii) Cash is received from debtors
 - (iii) Machinery is purchased for cash
 - (iv) All of the above
- (j) A cash inflow :
- (i) Increases total cash
 - (ii) Increases cash equivalents
 - (iii) Both of them
 - (iv) None of them

Group – B

(Long-answer Type Questions)

Answer any four of the following : $15 \times 4 = 60$

2. What is Cost Accounting ? Discuss its advantages.
3. State the various methods of pricing the issue of materials.
4. Explain the term 'Break Even Analysis'. Discuss its merits and demerits.

5. Define Marginal Costing. Discuss its advantage and limitations.

6. What is standard costing ? Explain the advantages of standard costing.

7. Record the following transactions in the Ledger Account. The issues are priced at the weighted average price method :

April Balance 1000 units @ Rs. 5 per unit
Rs. 5,000

Rs. Issued 250 units

6 Received 4000 units @ Rs. 6 per unit

7 Issued 1500 units

8 Returned to stores 100 units, issued on April 2

10 Received 1500 units @ Rs. 7.50 per unit

15 Issued 1600 units

18 Received 500 units @ Rs. 7.50 per unit

21 issued 600 units

23 Returned to vender 200 units, received on April 18

25 Received 1000 units @ Rs. 7.50 per unit

29 Issued 1250 units

8. From the following data, calculate the break even point :

Selling price per unit	20
Variable cost per unit	15
Fixed overhead (total)	20,000

If sales are 20% above BEP, determine the net profit.

9. The Perfect Construction Company Ltd. has undertaken the construction of bridge for a value of Rs. 45,000 subject to retention of 20% until one year after the certified completion of the contract. The following information is available for the year ended 31st March, 2006 :

Labour on site	11,550
Materials sent to site	12,300
Materials from store	2,350
Hire and use of plant unkeep A/c	348
Direct Expenses	630
General overhead allocated to the contract	1,182
Material in hand on 31. 03. 2006	228

10. The Imperial Manufacturing Company's product passes through two distinct processes A and B and then to finished stock. It is known from past experience that wastage occurring in the process is as under :

In process A 5% of the unit entering the process

In process B 10% of the unit entering the process

The scrap value of the wastage in process A is

Rs. 8 per 100 units and process B is Rs. 10 per

100 units. The process figures are :

	Process A	Process B
Material consumed	3000	1500
Wages	3500	2000
Manufacturing Expenses	1000	1000

5000 units were brought into process A costing Rs. 2500.

The outputs were A – 4700 units and B – 4150 units. Prepare Process Cost Account showing the cost of the output.



JX – 8/5 (400)

(7)

BBA(II) — Bus/II/
VI/XI/H