



**UNIVERSITY OF NORTH BENGAL**

BBA/B.Com. LL.B. (5 yr.) Honours 4th Semester Examination, 2021

**COST ACCOUNTING**

**PAPER CODE- FC11**

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.*

**The students should attempt questions any *two* questions from Group-B compulsorily and any *four* from Group-A**

**GROUP-A**

**Answers Word Limit less than equals to 200**

1. From the figures given below, calculate Economic Order Quantity (EOQ) and Total Inventory cost at EOQ? 10  
Total consumption of material per year      10,000 kgs  
Buying cost per order      Rs. 50  
Unit cost of material      Rs. 2 per kg  
Carrying and storage cost      8%
  
2. Two components A and B are used as follows: 10  
Normal usage 50 units per week each  
Minimum usage 25 units per week each  
Maximum usage 75 units per week each  
Reorder Quantity A= 300 units; B= 500 units  
Reorder Period A= 4 to 6 weeks, B= 2 to 4 weeks  
**Calculate for each component:**  
(a) Reorder level,  
(b) Minimum Level,  
(c) Maximum level,  
(d) Average Stock Level.
  
3. Prepare a Cost Sheet for the year ended 31.3.86 from the following figures extracted from the books of Best Engineering Co. 10  
**Opening Stock:**  
(i) Raw Material 40,350,  
(ii) Work-in-Progress 15,000 and  
(iii) Finished Stock 35,590.

**Cost incurred during the period:**

Materials purchased 2,50,000, Wages paid 2,00,000, Carriage inward 2,000, Consumable Stores 10,000, Wages of Storekeeper 7,000, Depreciation of Plant & Machinery 10,000, Materials destroyed by Fire 5,000, Repairs & Renewals 5,010, Office Manager's Salary 10,000, Salary to Office Staff 20,500, Printing & Stationary 10,000, Power 10,500, Lighting for Office Building 2,000, Carriage outward 3,000, Freight 5,000, Entertainment 2,500, Warehousing charges 1,500, Legal charges 2,000, Expenses for participating in Industrial exhibition-6,000.

**Closing Stock:**

- (i) Raw material 35,000,
- (ii) Work-in-Progress 14,500, and
- (iii) Finished Stock 40,030. Profit 25% on cost.

4. Explain in details the scope and importance of Cost Accounting. 10
5. Malik Company uses a periodic inventory system. The beginning inventory of a particular product, and the purchases during the current year, were as follows: 10
- |                               |    |                        |                      |            |
|-------------------------------|----|------------------------|----------------------|------------|
| Jan.                          | 1  | Beginning inventory... | 60 units @ Rs. 105 = | Rs. 6,300  |
| Mar.                          | 8  | Purchase.....          | 30 units @ Rs. 115 = | Rs. 3,450  |
| Aug.                          | 11 | Purchase.....          | 90 units @ Rs. 125 = | Rs. 11,250 |
| Oct.                          | 23 | Purchase .....         | 20 units @ Rs. 135 = | Rs. 2,700  |
| Total available for sale..... |    |                        | 200 units            | Rs. 23,700 |
- At December 31, the ending inventory of this product consisted of 55 and selling price during year was Rs. 150.
- Using periodic costing procedures, determine:
- Cost of the year-end inventory under each (LIFO, FIFO) of the flow assumptions
6. Explain the purchase procedure of a Manufacturing company. 10

**GROUP B****Answers Word Limit less than equals to 100**

7. Write short notes on any *two* of the following: 5×2 = 10
- (a) Characteristics of Batch Costing
  - (b) Comparison between Job costing and Process costing
  - (c) Concept of Economic Order Quantity
  - (d) Usage of cost ledger in relation to Cost Accounting.

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