

1. Answer any eight from the following questions

1x8 = 8

- (a) What is costing?
- (b) What do you mean by indirect materials?
- (c) What is Bin Card?
- (d) What do you mean by semi-variable overheads?
- (e) What do you mean by work-in-progress?
- (f) Give one example of normal process loss.
- (g) What is prime cost?
- (h) What is Margin fo Safety?
- (i) What is a budget?
- (j) What do you mean by reconcillation of cost and financial accounts?

Ques No.	Mark
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2. Answer any eight from the following questions (each within 50 words)

2×8 = 16

- (a) Mention two objectives of cost accounting.
- (b) Write two advantages of material control.
- (c) What is administrative overheads?
- (d) What do you mean by job costing?
- (e) What is expenses?
- (f) Write two characteristics of marginal costing.
- (g) What do you mean by Relevant costing.
- (h) Give two external sources of cash.
- (i) Give two situations when it becomes necessary to prepare a reconciliation of cost and financial accounts.
- (j) What is uniform costing?

3. Answer any five from the following questions

4×5 = 20

- (a) Write a note on ABC analysis.
- (b) Distinguish between cost accounting and management accounting.
- (c) From the following information calculate :
 - (i) Direct material cost rate
 - (ii) Direct labour hour rate.

Total direct labour hours Rs. 2,800

Total overhead Rs. 30,000

Total Material used Rs. 15,000

Total Direct labour Rs. 10,000

- (d) Mention five differences between job costing and process costing.
- (e) From the following information calculate margin of safety

Total fixed cost Rs. 5,000

Total variable cost Rs. 8,000

Total sales Rs. 20,000

- (f) What are the objectives of budgetary control.
- (g) What are the importance of preparing cash flow statement?

4. Answer any two from the following questions

8×2 = 16

(a) What are the advantages and limitations of cost accounting? Discuss.

(b) From the following information prepare a stock ledger account using last in first out method.
2013

July 1 opening balance	800 units @ Rs. 2.50
July 8 purchase of material	900 units @ Rs. 2.60
July 12 issue of materials	700 units
July 15 purchase of materials	600 units @ 2.70
July 16 Issue of material	650 units
July 20 purchase of materials	800 units @ 2.90
July 26 purchases of materials	500 units @ 2.90
July 29 Issue of materials	600 units
July 31 Issue of materials	400 units

(c) What are the reasons of difference between cost and financial profit or loss shown by cost accounts and financial accounting? Also discuss the importance of reconciliation.

