



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program : Third Semester – Fall 2021

Roll No.

Paper: Cost Accounting

Course Code: BBA-203

Time: 3 Hrs. Marks: 60

Q.1. Answer the following Short Questions: (6x5=30)

- i. What is the difference between Process Costing and Job Costing?
- ii. What are the components of Total Factory Cost?
- iii. What is the difference between Time Work Schemes and piece work schemes?
- iv. What is the purpose of preparing Job cost Card?
- v. What is an Overheads Application / Absorption Rate?
- vi. What are the components of Prime cost?
- vii. What is a Standard Cost Card?
- viii. What is the difference between a Perpetual and a Periodic Inventory System?
- ix. What are the components of Conversion Cost?
- x. What is meant by Safety Stock?
- xi. What do we mean by Standard Cost?
- xii. What is the difference between a Functional and a Master Budget?
- xiii. What is meant by Maximum Inventory Level?
- xiv. What is a Purchase Order?
- xv. What is an Under-Applied Factory Overhead?

Answer the following questions. (3x10=30)

Q.2. The following information are available in respect of a material M: (10)

- Normal consumption ----- 1,100 units per week
- Minimum consumption ----- 700 units per week
- Maximum consumption ----- 1,500 units per week
- Economic order quantity ----- 5,000 units per week
- Re-order period ----- 5 to 7 weeks

Required:

- (1) Recorder level
- (2) Minimum stock level
- (3) Maximum stock level

Q.3. Mohsin Corporation uses a process costing system. Cost data of its finishing department for the month of January, 2022 is as under: (10)

Cost from preceding department ----- Rs. 20,000

Cost added:

Material -----	18,000
Labour -----	9,000
Factory overheads -----	9,000

Quantity schedule of the department contained the following information:

Units received from preceding department -----	5,000
Units transferred to finished goods -----	4,000
Units still in process (50% complete) -----	1,000

Required: A cost of production report for January 2022.

Q.4. Books and records of Khyber Industrial Co. Ltd. Presents following data for the month of January, 2022: (10)

Direct Labour cost ----- Rs. 16,000 (160% of FOH)

Cost of goods sold ----- Rs. 56,000

Inventories:

	Beginning	Ending
Raw materials	Rs. 8,000	Rs. 8,600
Work in process	Rs. 8,000	Rs. 12,000
Finished goods	Rs. 14,000	Rs. 18,000

Marketing expenses are 5% of sales and Administrative expenses are 10% of sale. Sales for the month are Rs. 75,000.

Required: Prepare income statement for January 2022.