



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Third Semester – Spring 2022

Roll No.

Paper: Cost Accounting

Course Code: BBA-203

Time: 3 Hrs. Marks: 60

THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions: (15x2=30)

- What is an Overheads Applied Rate?
- What is meant by Safety Stock?
- What is the difference between Process Costing and Job Costing?
- What are the components of Total Factory Cost?
- What is the difference between Time Work Schemes and Piece Work Schemes?
- What is the purpose of preparing Job Cost Card?
- What are the components of Prime Cost?
- What is a Standard Cost Card?
- What is the difference between a Perpetual and a Periodic Inventory System?
- What are the components of Conversion Cost?
- What do we mean by Standard Cost?
- What is the difference between a Fixed and a Flexible Budget?
- What is meant by Maximum Inventory Level?
- What is a Purchase Order?
- What is an Under-applied Factory Overhead?

Answer the following questions. (3x10=30)

Q. No. 2: Mohsin Corporation uses a process costing system. Cost data of its finishing department for the month of March, 2022 is as under:

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. (10 marks)

Q. No. 3: Books and records of Khyber Industrial Co. Ltd. presents following data for the month of March, 2022:

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 sales. Sales for the month are Rs. 75,000.

Required: Prepare income statement for March 2022. (10 marks)

Q. No. 4: The following information are available in respect of a material M:

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) Order level

(2) Minimum level

(3) Maximum level

(10 marks)