



UNIVERSITY OF THE PUNJAB
B.S. 4 Years Program / Fourth Semester – 2019

Paper: Cost Accounting

Course Code: COMM-207/COM-22361 Part-I (Compulsory) Time: 15 Min. Marks: 10

Roll No. in Fig.

Roll No. in Words.

Signature of Supdt.:

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.

Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the right answer cutting and overwriting is not allowed. (10x1=10)

1. Average consumption \times Emergency time is a formula for the calculation of:
 - a. Danger level
 - b. Re-order level
 - c. Maximum consumption
 - d. None of these
2. EOQ stand for:
 - a. Economic Order Quantity
 - b. Economic Order Quality
 - c. Estimated Ordering Quality
 - d. None of these
3. Direct Material is a
 - a. Variable cost
 - b. Fixed cost
 - c. Semi variable cost
 - d. None of these
4. Worker is paid Rs. 0.50 per unit and he produces 18 units in 7 hours. Keeping in view the piece rate system, the total wages of the worker would be:
 - a. Rs. 9
 - b. Rs.126
 - c. Rs. 3.5
 - d. Rs. 63
5. If cost of opening finished goods Rs. 2,000; Cost of goods to be produced Rs. 6,000 and Operating expenses Rs. 1,000, which of the following is the cost of goods available for sale?
 - a. Rs. 8,000
 - b. Rs. 4,000
 - c. Rs. 7,000
 - d. Rs. 9,000
6. Fixed cost is:
 - a. Variable
 - b. Constant
 - c. Semi-variable
 - d. None of these
7. Which of the following statement is TRUE about historical cost?
 - a. It is always relevant to decision making
 - b. It is always irrelevant to decision making
 - c. It is always an opportunity cost
 - d. It is always realizable value
8. Merrick Differential Piece Rate Plan based on ----- piece rates.
 - a. Two
 - b. Three
 - c. Four
 - d. Five
9. Cost of production report is also known as:
 - a. Job order cost
 - b. Process cost sheet
 - c. Balance sheet
 - d. Material requisition sheet
10. Average cost is also known as:
 - a. Variable cost
 - b. Unit cost
 - c. Total cost
 - d. Fixed cost



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Paper: Cost Accounting
Course Code: COMM-207 / COM-22361 Part – II

Time: 2 Hrs. 45 Min. Marks: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDE

Q # 2 Give Short answers of the following questions:

(5×4 = 20)

- I. Briefly explain Direct & Indirect Labor with example.
- II. Explain Historical Cost.
- III. Explain each item of the formula of EOQ.
- IV. Give 5 examples of Factory Overheads.
- V. Pass the Journal entries when the Goods are returned from customer.

Q # 3 Following is the information of Ammara Paper Mills:

Purchase of Material for the year	Rs. 5,00,000
Purchase returns	Rs. 16,000
Direct Labor	Rs. 2,30,000
Factory overhead	Rs. 75% of Labor cost
Inventories:	
Finished Goods inventory decreased by	Rs. 28,000
Work in process inventory increased by	Rs. 24,000
Opening Material	Rs. 50,000
Closing Material	Rs. 30,000

Required: Cost of goods manufactured and sold statement.

(10)

Q # 4 Noor Companies Limited purchase a certain item of raw material in lots of 4,800 units which is a 3 month supply. The cost per unit is Rs. 40.00, Ordering cost is Rs. 75.00 per order and carrying cost is 20%.

Required: How much the company can save by using EOQ.

(10)

Q # 5 Production and cost data of 1st department of Nazir Sons Ltd. For the month of July 2018 are as follows: Units started were 5000, transferred to next department were 4500 units. Remaining units were in-process estimated to be 70%, 60% and 50% completed as to Material, Labor and FOH respectively. Costs of Material, Labor and FOH were Rs. 2,50,000; Rs. 50,000 and Rs. 1,98,000 respectively.

Required: Cost of production report for the month of July.

(10)