# UNIVERSITY OF THE PUNJAB

**B.S. 4 Years Program / Fourth Semester – Spring 2023**

Roll No. ................

**Paper: Cost Accounting** | **Course Code: COMM-207** | **Time: 3 Hrs. Marks: 60**

**THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED**

**Q.1. Answer the following short questions.** **(6x5=30)**

a) Differentiate between fixed, variable and semi-variable factory overhead
b) What is the primary objective in job order costing
c) Differentiate between financial accounting and cost accounting
d) Explain the reasons of normal loss
e) Under what circumstances Job costing is used?
f) Under what circumstances process costing is used?

**Answer the following questions**

**Q.2** ABC Company estimated its factory overhead for the next year at Rs 2400000. It is estimated that 120000 units will be produced at a materials cost of Rs 600000. Production will require 50000 man hours at an estimated wage cost of Rs 750000. The machine will run about 25000 hours.

**Required:** **(15 Marks)**

1) Predetermined Factory overhead rates based on:
   a) Direct material cost
   b) Direct labor hours
   c) Direct labor cost
   d) Machine hours
2) Total cost of Job No. 600 consisting of 150 units by each rate in (1) above (Job no 600: direct materials Rs 60000; direct labor Rs 90000; direct labor hours 4500 and machine hours 3000)

**Q.3** Following are the data pertains to Hadia Enterprises for the year ended 2021: **(15 Marks)**

| Inventories | **Jan 1** | **Dec 31** |
|---|---|---|
| Work in Process | Rs 12000 | Rs 22000 |
| Finished goods | 119000 | 100 units |

Purchases during the year are Rs 444000 and purchases return are Rs 9000. Materials inventory increased by Rs 15000. Cost of materials used is 75% of total factory cost. Factory overhead is applied to production at the rate of 60% of direct labour cost. Actual factory overhead cost for the year is Rs 95000. Any under or over applied FOH is closed to cost of goods sold. Total number of units sold during the year is 1200. Units in beginning finished goods inventory are 200.

**Required:**

1) Number of units manufactured during the year
2) Cost of goods manufactured statement
3) Per unit cost manufactured during the year
4) Value of ending finished goods inventory
5) Cost of goods sold statement
6) Per unit cost manufactured in previous year