**ST. JOSEPH’S UNIVERSITY, BENGALURU -27**

Registration Number:

Date & session:7-12-2022 (1PM)

Registration Number:

Date & session:

**B.COM IFA – I SEMESTER**

**SEMESTER EXAMINATION: OCTOBER 2022**

**(Examination conducted in December 2022)**

**BCIFA 1321 – MANAGEMENT ACCOUNTING**

**Time: 2 Hours Max Marks: 50**

**This paper contains \_\_\_4\_\_\_ printed pages and FOUR parts**

**PART-A**

**I.** Answer ***any five*** of the following (**5x2 = 10 Marks)**

1. Define cost accounting.
2. State any two objectives of overhead control.
3. Differentiate between direct labour and indirect labour.
4. What is Process costing?
5. Give the meaning of performance measurement.
6. **What is the most economical number of units to order?**

Annual requirement = 48,000 units  
Ordering cost = $9 per order  
Carrying cost = 15% of per-unit cost  
Per unit cost = $4 per unit

**PART B**

**II.** Answer ***any two*** of the following (**2x15 = 30 Marks)**

1. Briefly explain the classification of cost with a diagram.
2. A) Compute the re-order level, minimum level, maximum level, average stock level for components A B and C based on the following data: (7M)

|  |  |  |  |
| --- | --- | --- | --- |
|  | A | B | C |
| Normal usage | 200 units | 150 units | 180 units |
| Minimum usage | 100 units | 100 units | 90 units |
| Maximum usage | 300 units | 250 units | 270 units |
| Re-order period(in months) | 2 to 3 | 3 to 4 | 2 to 3 |
| Re-order quantity | 750 units | 900 units | 720 units |

B) The following is a summary of the receipts and issues of materials in a factory during the month of April. Prepare a stores ledger using FIFO method. (8M)

|  |
| --- |
| April 1st- Inventories on hand are 50 units at $2 and 100 units at $1.50  April 5th- Purchased 100 units at $1.80  April 6th- 10 units of inventories purchased on 5 April at $1.80 are returned to the supplier  April 10th- 80 units issued to factory  April 15th- 50 units issued to factory  April 20th- 20 units purchased at $1.50  April 25th- 70 units issued to factory  April 30th- 50 units purchased at $1.70  April 30th- 10 units returned to store out of units issued to the factory on 25th April |

1. A company has three production department A, B and C with two services departments X and Y. The following data are extracted from the records of the company:

|  |  |
| --- | --- |
| **Particulars** | **Amount (Rs)** |
| Rent and rates | 25,000 |
| General Lighting | 3000 |
| Indirect wages | 7500 |
| Power | 7500 |
| Depreciation on machinery | 50000 |
| Sundries | 50000 |

Additional data (Department wise)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Particulars** | **Total** | **A** | **B** | **C** | **X** | **Y** |
| Direct wages | 50,000 | 15,000 | 10,000 | 15,000 | 7,500 | 2,500 |
| Horse power | 150 | 60 | 30 | 50 | 10 | - |
| Cost of machinery | 12,50,000 | 3,00,000 | 4,00,000 | 5,00,000 | 25,000 | 25,000 |
| Production hours worked | - | 6,226 | 4,028 | 4,066 | - | - |
| Floor space used | 10,000 | 2,000 | 2,500 | 3,000 | 2,000 | 500 |
| Light points (Nos) | 60 | 10 | 15 | 20 | 10 | 5 |

Service department expenses allocation:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | A | B | C | X | Y |
| Department X | 20% | 20% | 50% | - | 10% |
| Department Y | 40% | 10% | 40% | 10% | - |

Compute the overhead rate of production departments using the repeated distribution method.

**PART C**

**III.** Answer the question given below (**1x10 = 10 Marks)**

1. A product is completed in three consecutive processes. During a particular month the input to process 1 of the basic raw material was 5,000 units at Rs. 2 per unit. Other information for the month was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Particulars** | **Process 1** | **Process 2** | **Process 3** |
| Output (Units) | 4700 | 4300 | 4050 |
| Normal loss as % of input | 5 | 10 | 5 |
| Scrap value per unit | 1 | 5 | 6 |
| Direct wages | 3000 | 5000 | 8000 |
| Direct expenses | 9750 | 9910 | 15560 |

Overhead Rs. 32,000 total, chargeable as percentage of direct wages.

There were no opening or closing work in progress stocks. Compile three process accounts and finished stock account with details of abnormal loss and gain, where applicable.