

Roll No.

Total No. of Pages: 04

Total No. of Questions: 11

M.Sc. (FMM) (Sem. – 3)

INTRODUCTION TO COST ACCOUNTING

Subject Code: MSFMM308-18

M Code: 76717

Date of Examination : 02-01-2023

Time: 3 Hrs.

Max. Marks: 30

INSTRUCTIONS TO CANDIDATES:

1. SECTION-A is COMPULSORY.
2. SECTION-B contains SIX questions and students have to attempt any FOUR questions.
3. SECTION-C contains FOUR questions and students have to attempt any TWO questions.

SECTION-A

1. Choose the most appropriate from the following: (1×10=10)
 - a) In a cost of production report using process costing, transferred in costs are similar to the
 - 1) Cost of material added at the beginning of production
 - 2) Conversion cost added during the period
 - 3) Cost transferred out to the next department
 - 4) Cost included in beginning inventory
 - b) In process costing, cost follows.....
 - 1) Finished goods
 - 2) Product flow
 - 3) Price rise
 - 4) Price decline
 - c) Equivalent units are.....
 - 1) National quantity of completed units
 - 2) Equal units
 - 3) Units equal to input
 - 4) None of these

- d) Composite unit is a distinct feature of.....
- 1) Single costing
 - 2) Operating costing
 - 3) Process costing
 - 4) Job costing
- e) Sales ledger shows.....
- 1) Accounts of expenses
 - 2) Accounts of income
 - 3) Accounts of individual jobs
 - 4) None of these
- f) Uniform costing help to control.....
- 1) Manpower
 - 2) Cost
 - 3) Finance
 - 4) All of these
- g) Describe the method of costing to be applied in case of nursing home
- 1) Operating costing
 - 2) Processing costing
 - 3) Contract costing
 - 4) Job costing
- h) Indirect costs are known as.....
- 1) Variable cost
 - 2) Fixed cost
 - 3) Overheads
 - 4) None of the above
- i) Marginal costing is.....
- 1) Method of costing
 - 2) A technique of costing
 - 3) Similar to absorption costing
 - 4) None of the above
- j) Remuneration paid to a technical director is a part of.....
- 1) Prime
 - 2) Works
 - 3) Administrative
 - 4) All of the above

SECTION-B

(4×2.5=10)

2. a) Enumerate the essential requisites of inter-firm comparison system.
b) What is target costing? What are the stages involved in target costing?
3. Write short notes:
 - a) Life cycle costing
 - b) Activity based accounting
 - c) Cost ledger control accounts
 - d) Abnormal gain in process costing
 - e) Operating costing in transport costing
4. What is ABC method of material control and explain the advantage and disadvantage of ABC method?
5. Treatment of scrap:

Raw material purchased	Rs.20,000
Opening stock raw material	Rs.4,000
Closing stock of raw material	Rs.8,000
Scrap of raw material	Rs.2,000
Direct wages	Rs.10,000
Factory overheads	Rs.6,000
Factory scraps	Rs.1,000
Selling and distribution overheads	Rs.5,000
Sales	Rs.40,000
Carriage and raw material purchased	Rs.1,000
Output 20,000 units	

6. Define the cost accounting and explain its objectives.
7. What do you mean by overheads? Explain its classification.

SECTION-C

(2×5=10)

8. Write note each of the following:
 - a) Average costing
 - b) FSND analysis
 - c) FIFO and LIFO methods
9. Cost may be clarified according to their nature characteristics. Elaborate on their statement and explain the different methods of costing.
10. Define cost sheet. How it is prepared?
11. State the differences between job costing and process costing.

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