

**JAYPEE UNIVERSITY OF INFORMATION TECHNOLOGY, WAKNAGHAT**  
**TEST – 1 EXAMINATION, SEPTEMBER 2016**  
**B.TECH. VII SEMESTER (ALL BRANCHES)**

**COURSE CODE: 16B1WHS731**

**MAX. MARKS: 15**

**COURSE NAME: COST AND MANAGEMENT ACCOUNTING**

**COURSE CREDITS: 03**

**MAX. TIME: 1 HR**

*Note: All questions are compulsory. Carrying of mobile phone during examination will be treated as case of unfair means. Use of Calculator is allowed.*

- Q1.** A manufacturing company used Rs. 50,000 materials per year. The administration cost per purchase is Rs. 50 and the carrying cost is 20% of the average inventory. The company currently has an optimum purchasing policy but has been offered a 0.4% discount if they purchase five times per year. Should the offer be accepted? If not what counter offer should be made? **(4 marks)**
- Q2.** On 1<sup>st</sup> July, 2016, 1,00,000 litres of petrol was in stock @ Rs. 3 per litre. On July 10<sup>th</sup>, 2,00,000 litres of petrol was purchased @ Rs. 2.85 per litre and on July 25<sup>th</sup>, 1,00,000 litres of petrol was purchased @ Rs. 3.03 per litre. On 31<sup>st</sup> July, 2016 there was 1,30,000 litres of closing stock of petrol. Sales during the month of July was Rs. 9,45,000 and general administrative cost was Rs. 25,000. Using weighted Average cost method of inventory valuation find out:
- Value of inventory as on 31<sup>st</sup> July, 2016.
  - Cost of goods sold.
  - Profit or loss for the month of July, 2016.
- (3 marks)**
- Q3.** Mr. Anant furnishes the following data relating to manufacture of standard product for the month of June, 2016:

Prime Cost	Rs. 1,00,000
Factory overheads	25% on prime cost
Administrative overheads	20% on factory cost
Selling overheads	Re. 1 per unit
Units produced	25000
Units sold	24000 @ Rs. 10 per unit

Prepare cost sheet showing cost of production per unit and profit for the month of June, 2016. **(4 marks)**

- Q4.** Write short notes on the following:

- ABC analysis.
- Cost Centre.
- Difference between Cost Accounting and Management Accounting.

**(1+1+2=4 marks)**