

Centre for Professional Courses		
Gujarat University		
End Term Examination		
IMBA- International Trade & Finance		
Semester: - 2		
Cost Accounting		
Subject Code: : DCS-C-ITF-121T	Total Marks: 50	Duration: 2 Hours
Instructions:		
<ul style="list-style-type: none"> • Figures to the right indicate Full Marks. • Do not write anything on the question paper. • Simple calculator is allowed. Do not use a scientific calculator. 		

Q.1 A	What are the main differences between Financial Accounting and Cost Accounting? Provide examples.	10
	OR	
Q.1 B	A company manufactures 8,000 units with the following costs: Direct Materials: \$35,000 Direct Labor: \$20,000 Factory Overheads: \$10,000 Administrative Overheads: \$5,000 Selling & Distribution Overheads: \$3,000 Profit Margin: 25% on Cost Price Prepare a cost sheet showing Prime Cost, Factory Cost, Total Cost, and Cost per Unit.	10
Q.2 A	The components A and B are used as follows: Normal usage 300 units per week each Maximum usage 450 units per week each Minimum usage 150 units per week each Re-order Quantity A 2,400 units; B 3,600 units Re-order period A 4 to 6 weeks, B 2 to 4-weeks Calculate for each component: Re-order Level; (b) Minimum Level; (c) Maximum Level; (d) Average Stock Level.	10
	OR	
Q.2 B	Define and explain the significance of Re-order Level, Minimum Stock Level, Maximum Stock Level, and Average Stock Level in inventory management. How do these levels help in ensuring an efficient stock replenishment system?	10
Q.3 A	Calculate the earnings of workers X and Y using the differential piece rate system and comment on the labour cost, based on the following details: Standard time allowed = 20 units per hour Normal time rate = ₹30 per hour Differential rates applied: 80% of piece rate when below standard 120% of piece rate when at or above standard Working hours per day = 8 hours Units produced by X = 140 units Units produced by Y = 165 units	10

Q.3 B	OR Explain the concept of labour remuneration and its importance in an organization. Discuss the different methods of labour remuneration, highlighting their advantages and disadvantages.	10
Q.4 A	Sales – 500,000 \$ Variable Cost - 50 % of Sales Profit – 100,000 \$, Sale Price per unit – 10 \$ Required: -Prepare statement of Profit showing Sales, V.C, Contribution, Fixed cost and Profit, -Calculate Beak Even Point (in Sales and Units)	10
Q.4 B	OR Define marginal cost and explain its significance in cost accounting.	10
Q.5	<u>One Liner Questions (Answer any 5 out of 7)</u> <u>Explain the below term. Two Marks Each.</u> 1. Marginal Cost 2. Idle Time 3. Break Even Point 4. Contribution Margin 5. Labour Turnover 6. Variable Cost 7. Idle Time	10