

SECOND SEMESTER DIPLOMA EXAMINATION IN COMPUTER
APPLICATION IN BUSINESS MANAGEMENT — MARCH, 2015

COST ACCOUNTING

[Time : 3 hours

(Maximum marks : 100)

PART—A

(Maximum marks : 10)

Marks

I Answer all questions in one or two sentences. Each question carries 2 marks.

1. Define direct cost.
2. State the meaning of scarp.
3. State the marginal cost equation.
4. State the meaning of make or buy decision.
5. State the effect of change in selling price. (5×2=10)

PART—B

(Maximum marks : 30)

II Answer *any five* of the following questions. Each question carries 6 marks.

1. Explain the meaning and scope of cost accounting.
2. Explain elements of cost.
3. State the differences of job costing and batch costing.
4. Describe the features of marginal costing.
5. Describe P/V ratio.
6. Explain margin of safety.
7. Explain cost sheet. (5×6=30)

PART—C

(Maximum marks : 60)

(Answer *one* full question from each unit. Each full question carries 15 marks.)

UNIT—I

- | | |
|---------------------------------------------------|----|
| III (a) Explain the functions of cost accounting. | 10 |
| (b) Explain the indirect cost. | 5 |

OR

- IV State the differences between cost accounting and financial accounting. Marks
15

UNIT—II

- V Explain methods and techniques of costing. 15

OR

- VI (a) A product passes through different process for its completion. The following relate to the product for a particular period.

<u>Particulars</u>	<u>Process I</u>	<u>Process II</u>
Direct material	40,000	10,000
Direct labour	20,000	22,000
Expenses	8,000	6,000
Overheads	2,000	2,000

- Production during the period was 2000 units. Show the process accounts. 10
- (b) Explain normal loss and abnormal loss. 5

UNIT—III

- VII (a) Explain the advantages of marginal costing. 10
- (b) Determine the amount of fixed expenses from the following particulars.
- Sales ₹ 4,80,000, Direct materials ₹ 1,60,000.
- Direct labour ₹ 1,00,000, Variable overheads ₹ 40,000 and profit ₹ 1,00,000. 5

OR

- VIII (a) Explain marginal costing as a tool for decision making. 10
- (b) Describe the disadvantages of marginal costing. 5

UNIT—IV

- IX (a) Explain the advantages of break even analysis. 10
- (b) Describe the treatment of fixed cost and variable costs in marginal costing. 5

OR

- X (a) State the uses and limitations of break even analysis. 10
- (b) Describe the fixation of selling price under normal circumstances. 5