

Time: 3 Hours

Note: Answer all five questions

Q1. What is the meaning and the objectives of cost accounting? How cost accounting differs from financial accounting? What are the major classification of cost?

Q2. (a) State four components of cost sheet.

(b) Prepare the cost sheet from the following items :

Raw material purchased	25,000
Wages paid	10,000
Fuel expenses	3,000
Packing charges	1,000
Salaries of office staff	4,000
Commission on Sales	2,000
Printing and Stationary	1,500
Opening stock of raw material	5,000
Closing stock of raw material	2,000

Q3. M/s Sahani Enterprises acquired a printing machine for Rs. 40,000 on July 01, 2016 and spent Rs. 5,000 on its transport and installation. Another machine for Rs. 35,000 was purchased on January 01, 2018. Depreciation is charged at the rate of 20% on written down value. Prepare Printing Machine account.

Q4. (a.) A trader carries an average inventory of Rs. 40,000. His inventory turnover ratio is 8 times. If he sells goods at a profit of 20% on Revenue from operations, find out the gross profit.

(b.) Following information is given by a company from its books of accounts as on March 31, 2018:

Particulars	Rs.
Inventory	1,00,000
Total Current Assets	1,60,000

	4,00,000
Shareholders' funds	3,00,000
13% Debentures	1,00,000
Current liabilities	3,51,000
Net Profit Before Tax	5,00,000
Cost of revenue from operations	

Calculate:

- i) Current Ratio
- ii) Liquid Ratio
- iii) Debt Equity Ratio
- iv) Interest Coverage Ratio
- v) Inventory Turnover Ratio

Q5. Enter the following transactions in the Sales and Sales Return book of M/s Vineet Stores:

Dec.01	Sold goods on credit to M/s Rohit Stores as per invoice no.325 :
	30 Kids Books @ Rs. 60 each:
	20 Animal Books @ Rs. 50 each
Dec. 10	Sold Goods on credit to M/s Mega Stationers as per invoice no,329 :
	50 Writing Pads @ Rs. 20 each.
	50 Colour Books @ Rs. 30 each
	20 Ink Pads @ 16 each
Dec. 15	Goods Returned from M/s Rohit Stores as per credit note no.201:
	2 Kids Books @ Rs. 60 each
	1 Animal Book @ Rs. 50 each
Dec. 19	Sold goods on credit to M/s Abha Traders as per invoice no.355 :
	100 Cards Books @ Rs. 10 each.
	50 Note Books @ Rs. 35 each
	Less 5% trade discount.
Dec. 22	Goods returned from M/s Mega Stationers as per credit note no.204:
	2 Colour Books @ Rs. 30 each
Dec. 26	Sold goods on credit to M/s Bharti Stores as per invoice no.325 :
	100 Greeting Cards @ Rs. 20 each.
	100 Fancy Envelopes @ Rs. 5 each