

**APPEARANCE OF MOBILE PHONE(S) / SMART DEVICE(S) SUBJECT TO CONSIDERED AS AN  
ACT OF CHEATING**

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College Name: \_\_\_\_\_

Student Name: \_\_\_\_\_ Seat No: \_\_\_\_\_

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**KARACHI UNIVERSITY BUSINESS SCHOOL  
UNIVERSITY OF KARACHI  
FINAL EXAMINATION; AFFILIATED COLLEGE JUNE 2015  
COST ACCOUNTING; BA (H)-511 (PART B)  
BBA – V**

**Date: June 16, 2015**

**Max Time: 90 Mins  
Max Marks: 30**

**INSTRUCTIONS:**

- 1. Attempt All questions. Do not write anything on the question paper.**
- 2. Mobile phones or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

Q.1 Isogen Corporation manufactures a product in three departments. The product is cut out of lumber in the Cutting Department, then transferred to the Planning Department where it is shaped and certain parts purchased from outside vendors are added to the unit, and finally transferred to the Finishing Department where it is primed, painted, and packaged. Since only one product is manufactured by the company, a process cost system is used. The company adopted the average cost flow assumption to account for its work in process inventories. Data related to September operations in the Planning Department follow:

Units in beginning inventory	3,000	
Units received from the Cutting Department this period	7,500	
Units transferred to Finishing Department this period	8,500	
Units in ending inventory (75% materials, 50% labor and overhead)	2,000	
	Beginning	Added
Costs charged to the department:	<u>Inventory</u>	<u>This Period</u>
Costs from the preceding department	\$15,500	\$63,250
Materials	7,800	20,700
Direct labor	3,200	16,750
Factory overhead	9,975	39,900

**Required:** Prepare a September cost of production report for the Planning Department.

Q.2 During June, the following transactions took place at the Cassandra Corp.

June	3	Purchased materials, \$30,000.
	5	Requisitioned materials from inventory, \$20,000 (75% of these were direct; 25% were indirect). Direct materials of \$3,000 and indirect materials of \$1,000 were for Job 00-1. The remainder were for Job 00-2.
	7	For Job 00-2, returned \$150 of direct materials and \$200 of indirect materials.
	8	Recorded liabilities for payroll: direct labor, \$15,000 and indirect labor, \$5,000. Of the direct labor cost, 60% was for Job 00-1; the remainder was for Job 00-2.
	10	Incurred other factory overhead costs, \$20,000 (all applicable to Jobs 00-1 and 00-2).
	14	Applied overhead at the rate of 200% of direct labor cost to Jobs 00-1 and 00-2, which were completed and transferred to finished goods account today.

**Required:** Assuming that Jobs 00-1 and 00-2 were the only jobs during the period and that all overhead (as recorded above) is the total applicable overhead for these projects:

- (1) Prepare a job order cost sheet for each job.
- (2) Determine the difference between applied and actual overhead for the month.

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Q.3 a) Myerson Inc. produces video cameras. The direct labor cost of one camera is \$200, and the total manufacturing cost is \$650. The overhead cost of one camera is two-thirds as large as its conversion cost.

**Required:**

- (1) Compute the conversion cost per unit.
- (2) Determine the factory overhead cost per unit.
- (3) Determine the direct materials cost per unit.

b) The following information relates to Department 1 of Ruiz Company for the fourth quarter. The total overhead variance is divided into three variances: spending, variable efficiency, and volume.

Actual total overhead (fixed plus variable)	\$178,500
Budget formula	\$110,000 + \$.50 per hour
Total overhead application rate	\$1.50 per hour
Actual hours worked	121,000

**Required:** What was the spending variance in this department during the quarter?

Q.4 A partial listing of costs incurred at Boylen Corporation during March appears below:

Direct materials	\$181,000
Utilities, factory	\$10,000
Sales commissions	\$69,000
Administrative salaries	\$99,000
Indirect labor	\$32,000
Advertising	\$75,000
Depreciation of production equipment	\$28,000
Direct labor	\$120,000
Depreciation of administrative equipment	\$49,000

**Required:**

- (1) What is the total amount of product cost listed above? Show your work.
- (2) What is the total amount of period cost listed above? Show your work.

**END OF SUBJECTIVE PAPER**