

**HIMACHAL PRADESH PUBLIC SERVICE COMMISSION
S.A.S. (OB)-(PART-II) SUPPLEMENTARY EXAMINATION, 2015.**

PAPER: III COST ACCOUNTING AND AUDITING (WITHOUT BOOKS)

TIME ALLOWED: 3 HOURS

MAXIMUM MARKS: 100

Notes:

- i) Attempt any 3 questions from Part-I and 2 from Part-II
- ii) All questions carry equal marks.
- iii) Indicate the same question number & its part as assigned in the question number while answering the same failing which such answer shall not be evaluated.
- iv) All parts of a question should be attempted at one place.

PART-I COST ACCOUNTING (60 MARKS)

(Attempt any three questions from this part)

Q. No. 1 ABC Company Ltd. uses job costing system. Following data has been ascertained from the books of accounts for the year ended on 31st January, 2015:

Direct Material	₹ 18,00,000
Direct Wages	₹ 15,00,000
Profit	₹ 12,18,000
Selling & Distribution Overhead	₹ 10,50,000
Administrative Overhead	₹ 8,40,000
Factory Overhead	₹ 9,00,000

Prepare a Cost Sheet indicating the Prime Cost, Works Cost, Production Cost, Cost of Sales and Sales Value. **(20)**

Q. No. 2 What are general principles for classifying Overheads? Explain in brief the steps for the distribution of overheads. **(20)**

Q. No.3 (a) What is Costing? Explain in brief objective and scope of Cost Accounting.
(b) What are main elements of Cost? Explain in detail the difference between 'Cost Center' and 'Cost Unit'. **(10+10)**

Q. No. 4 (a) What is Material Control? Explain main objectives of system of Material Control.
(b) What is ABC Analysis? How it is helpful in controlling the Inventories in an organization. **(10+10)**

P.T.O.

Q. No. 5

Attempt the following:-

- (a) What is Batch Costing?
- (b) What is Labour Turn Over?
- (c) Difference between Direct Cost & Indirect Cost?
- (d) Difference between Cost allocation and Cost apportionment?

(5+5+5+5)

PART-II AUDITING (40 MARKS)

(Attempt any two questions from this part)

Q. No. 6

As a principal in charge of audit of a limited company, how would you supervise your assistants and review their audit notes, working papers and queries? (20)

Q. No. 7

Define 'Auditing'. Explain in detail basic principles governing an Audit. (20)

Q. No. 8

- (a) Define 'Internal Control'. Why does an independent financial auditor need to study and evaluate internal control system?
- (b) Prepare a sample Audit Programme for auditing the receipt of fees from the students of a Government College. (10+10)

Q. No. 9

Write short notes on the following:-

- (a) Materiality in Audit
- (b) Audit files.
- (c) Auditing in a Computerized Accounting environment.
- (d) Audit Sampling.

(5+5+5+5)