

DEPARTMENT OF QUANTITY SURVEYING

LEVEL: 300

SESSION: 2016/2017

COURSE TITLE/CODE: INTRODUCTION TO COST ACCOUNTING/QTS 329

SCHOOL OF ENVIRONMENTAL TECHNOLOGY (SET)

ATTEMPT ALL QUESTIONS TIME: 2HRS

1. Define Cost Accounting

(2 ½ marks)

Mention five benefits that can derived by a manufacturing company from the installation of a good cost accounting system

(7 ½ marks)

2, Data relate to cost centre 25 for the period 6:

	N	Hours	Units
Total over head for the period	6000	-	-
Total direct labour hours for the period	-	800	-
Total direct wages	1,600	-	-
Total direct material used	3000	-	-
Total machine hours	-	1200	-
Total unit produced	-	-	45

i. Calculate the absorption rate using AOH rate = $\frac{\text{Total OH of Cost Centre}}{\text{Total number of Basis Applicable to the Cost Centre}}$

ii. Assumed direct labour absorption rate is consider to be appropriate in the cost unit X determine the total cost of production of unit X in cost centre 38 with the following details:

Cost unit X

Direct material used N 23

Direct wages N 27.50

Direct labours/hour 12

Machine hours 17

(12marks)