ourdiu.com | Shared by Tasfia Zahan

Daffodil International University
Faculty of Business & Entrepreneurship
Department of Accounting
Program: BBA in Accounting

Semester: **Fall 2026**
Time: **1 Hour 30 minutes**
Course Code:**0411-202**
Section: **5A**

Examination: Midterm
Full Marks: 25
Course Title: Cost Accounting
Teacher: **MRI**

Answer all the questions

Question No. 1: [Marks: 3+3]

(a) Compare between product cost and period cost with example. [CLO 1 Level 2]
(b) Illustrate the terms (i) Minimum stock level (ii) Maximum stock level (iii) EOQ CLO 1 Level 2]

Question No. 2: [Marks 9]

The following cost and inventory data for the just completed year are taken from the accounting records of Eccles Company for the month ended September 30, 2026

Cost incurred	Amount in Taka
Advertising expense	1,00,000
Direct Labor cost	90,000
Purchases of raw materials	1,32,000
Rent, factory building	80,000
Indirect labor	56,000
Sales commissions	35,000
Utilities, factory	9,000
Maintenance, factory equipment	24,000
Supplies, factory	700
Depreciation, office equipment	8,000
Depreciation, factory equipment	40,000
Factory supervisor's salary	12,000
Administrative expenses	21,000
Sales salaries	9,650
Transportation in	2,000

Inventories: Beginning and ending balances of inventories are as under:

	September 1	September 30
Raw materials	8,000	10,000
Work-In-process	5,000	20,000
Finished goods	70,000	25,000

Required:

a) **Prepare** a schedule of cost of goods manufactured
b) **Prepare** the cost of goods sold section of Eccles Company's income statement for the month
c)Assume that, during the month total sales revenue were Tk. 6,47,000. **Prepare** an Income Statement for the month CLO 2 Level 3

Please turn to the next page

ourdiu.com | Shared by Tasfia Zahan

[Marks 6]

Question 3:

Following data are related to the purchase department of Al Galib Company, a renowned manufacturer in Dhaka Division:

Ordering Quantity in units	Price per unit (in Tk)
Less than 5,000	500
5,000 and less than 10,000	450
10,000 and less than 15,000	400
15,000 and less than 20,000	350
20,000 and above	310

Al Galib Company requires 45,000 units of materials per year and materials inventory carrying cost is 15% per year. The company estimated that to place a purchase order Tk. 250 is required per order.

Required: (i) Determine the most economic order quantity by using a tabular format.
(ii) Determine the EOQ if there is no discount offer and the price per unit is Tk. 525

[CLO 2 Level 5]

[Marks 4]

Question 4:

Following information are related to the production department of Shafi Frozen Foods Ltd.:

Normal wage rate per hour is Tk. 39. Standard time per piece of Chicken Ball is 5 (five) seconds. Output of the production workers in a day are as below:

Jaman: 86 units; Sumon: 80 units; Mortuza: 96 units; Shihab: 73 units and Bashudev: 105 units

Working hours per day: 8

Instruction: Analyze the above information and determine the earnings of the workers under Merrick differential piece rate system and also calculate the average labor cost of the company.

CLO 3 Level 4

Cost of goods

5 second

ourdiu.com