



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS
SECOND YEAR EXAMINATION FOR THE AWARD OF THE
DIPLOMA IN ACCOUNTING AND FINANCE

DIAF 0211: COST ACCOUNTING

INSTRUCTIONS:

- 1. Do not write anything on this question paper.**
- 2. Answer Question ONE (compulsory) and any other THREE questions.**

QUESTION ONE

- (a) Calculate the Total Manufacturing Cost (12 marks)
Number of units produced 10,000

Direct labor	Ksh. 5 per unit
Indirect labor	Ksh. 20,000
Direct material	Ksh. 10 per unit
Indirect material	Ksh. 40,000
Direct expenses	Ksh. 3 per unit
Depreciation	Ksh. 25,000
Rent	Ksh. 5,000

- (b) Explain the advantages of Cost Accounting (8 marks)
- (c) Describe the Factors to be Considered before Installation cost accounting (5 marks)

QUESTION TWO

- (a) Describe cost accounting (4 marks)
- (b) Explain Scope of Cost Accounting (4 marks)
- (c) Describe Objectives of Cost accounting (7 marks)

QUESTION THREE

- (a) Describe three broad components of cost (5 marks)
- (b) Describe the importance of cost accounting (7 marks)
- (c) What is a cost center (3 marks)

QUESTION FOUR

- (a) Difference between fixed budget and a flexible budget (3 marks)
- (b) Describe three broad components of cost (4 marks)
- (c) Describe the Types of cost centers (6 marks)

QUESTION FIVE

- (a) Describes the similarities of cost accounting and financial accounting (5 marks)
- (b) Explain the meaning of high-low method (5 marks)
- (c) Describe High-low method limitations (5 marks)