



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**PLOT 91, CADASTRAL ZONE, NNAMDI AZIKIWE EXPRESSWAY, JABI, ABUJA**  
**FACULTY OF MANAGEMENT SCIENCES**  
**2025\_1 EXAMINATION**

**COURSE CODE: ACC306** **CREDIT UNIT: 3Units**

**COURSE TITLE: COST ACCOUNTING**

**TIME ALLOWED: 2<sup>1/2</sup>HOURS**

**INSTRUCTIONS:** 1. Attempt question Number one (1) and any other three  
2. Question number 1 is compulsory and carries 25 marks, while  
the other questions carry 15 marks each  
3. Present all your points in coherent and orderly manner

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1a) The Perpetual Inventory System.

1b) what are the advantages and disadvantages of Perpetual Inventory system.

1c) Explain the concept of Materials requisition.

**(25Marks)**

2 Explain the following terms;

- a) Base Stock
- b) Weighted Average Price
- c) Current Market Price
- d) Highest In First Out (HIFO)
- e) Next In First Out (NIFO) **(3Marks each)**

3) List five typical expenses under the following Classifications of overheads;

- 1. Production Overhead
- 2. Administration overhead
- 3. Selling and Distribution overhead **(5Marks each)**

4) Describe your understanding on the following terms;

- a) Direct materials cost
- b) Indirect materials
- c) Direct Labour Cost
- d) Cost allocation
- e) Apportionment. **(3Marks each)**

5) Explain the following costing methods;

- a) Costing methods
- b) Job Costing
- c) Batch costing
- d) Contract costing
- e) Process costing **(3Marks each)**