

FACULTY OF COMMERCE

B.Com. V – Semester (CBCS) Examination, November / December 2019

**(Common Paper for General / Computers /Computer Applications /
Advertising / Foreign Trade and Tax Procedure Courses)**

Subject: Cost Accounting

Paper Code – BC – 503

Time: 3 Hours

Max.Marks: 80

PART – A (5x4 = 20 Marks)

[Short Answer Type]

Note: Answer any five of the following questions

- 1 Cost Sheet
- 2 Just in Time (JIT)
- 3 Indirect Labour Cost
- 4 Features of Job Costing
- 5 Abnormal Gain
- 6 From the information given below calculate EOQ
Annual usage 8000 units
Purchase Price per unit R. 10
Ordering Cost per Order Rs.80
Carrying Cost 20% p.a. per Unit Cost
- 7 The following information is extracted from the job ledger of Devi Enterprises in respect of Job No. 454
Materials Rs. 6,800; Wages 100 hours @ Rs. 5
Variable Overheads incurred for all Job Rs.10,000 for 5,000 labour hours
Find the profit if the job is billed for Rs.9,000
- 8 The output of process X was 5000 units, normal loss allowed was 10% of input. Abnormal loss was 400 units. The following further information is obtained.
Material Rs. 5 per unit, Overheads Rs. 6,700, Labour Rs.8,000,
Wastage realized Rs 2.50 per unit
Prepare Process X Account.

PART – B (5x12 = 60 Marks)

[Essay Answer Type]

Note: Answer all the questions.

- 9 a) Define Cost Accounting? Explain objectives and scope of Cost Accounting.
OR
b) Discuss the difference between Cost Accounting and Financial Accounting.
- 10 a) Discuss the various types of Inventory Control Techniques.
OR

- b) From the following details, prepare the Store Ledger using "Weighted Average" method of valuing the issues.

Nov. 2018

1	Opening Stock 2,000 units @ Rs.5.00 each
3	Issued 1,500 units to production department
5	Received 4,500 units @ Rs. 6.00 each
10	Issued 1,600 units
12	Returned to stores 100 units by Production Department (from the issue of Nov. 3)
16	Received 2,400 units @ Rs. 6.50 each
19	Returned to supplier 200 units out of quantity received on Nov.

5.

20	Received 1,000 units @ Rs. 7.00 each
24	Issued to production 2,100 units
27	Received 1,200 units @ Rs.7.50 each
29	Issued to production 2,800 units

- 11 a) A worker takes 48 hours to do a job for which the time allowed is 60 hours. His wage rate is Rs.10 per hour. Calculate the works cost of the job under the following methods of payment of wages

a) Halsey plan b) Rowan Plan

Additional Information:

Material Cost Rs. 1,000

Overheads @ 150% of wages

OR

- b) In a manufacturing concern there are four departments viz A, B, C & D. A and B are production departments and C & D are Service Departments. C renders service worth Rs. 12,000 to D and Balance to A & B in the ratio of 3:2. D renders service to A and B in the ratio of 9:1.

The overhead expenses incurred in a year are as follows:

	Rs.
Depreciation	95,000
Rent, Rates and Taxes	18,000
Insurance	7,600
Power	10,000
Canteen Expenses	5,400
Electricity	2,400

Following further information are given regarding the departments.

	A	B	C	D
Direct Material Rs.	6,000	5,000	3,000	2,000
Direct labour Rs.	20,000	10,000	10,000	5,000
Floor Space occupied (Sq.ft)	5,000	4,000	1,000	2,000
Value of Assets (in lakhs)	10	5	3	1
H.P. of Machines	1,000	500	400	100
No. of workers	100	50	50	25
Light and Fan Points	50	30	20	20

From the above particulars prepare a statement showing overhead expenses of production Departments A and B after distribution of Service Department's expenses.

- 12 a) Following information in respect of Job No. 222 is given below:

Materials Rs.5,800

Wages

Department A – 100 hours @ 5 per hour

Department B – 200 hours @ Rs. 3 per hour

Overheads for the two departments are estimated as

A) Variable Overheads:

Department A – Rs.10,000 for 5,000 direct labour hours

Department B – Rs. 30,000 for 10,000 direct labour hours

B) Fixed Overheads:

Rs. 50,000 for 50,000 normal working hours.

Calculate the cost of this job and also the price to be charged so as to give a profit of 20% on selling price.

OR

- b) From the following, prepare a Cost Sheet and Quote a suitable prices.

Total production	5,000 tons
Cost of Raw Material	Rs.20,00,000
Carriage Inwards	Rs. 2,00,000
Direct wages	Rs.20,00,000
Indirect wages	Rs. 1,00,000
Office Expenses	Rs.10,00,000
Selling Overheads	Rs.10,00,000
Payment of Income Tax	Rs. 3,00,000
Dividend paid	Rs. 5,00,000

A profit Margin of 50% on cost is desired.

- 13 a) From the following information prepare

a) The Contract Accounts

b) Contractee's Accounts

Materials sent to site	85,349
Labour engaged on site	74,375
Plant installed at cost	15,000
Direct Expenditures	4,126
Establishment charges	3,167
Materials returned to stores	549
Work Certified	1,95,000
Cost of work not certified	4,500
Material on hand, Dec. 31	1,883
Wages accrued on Dec. 31	2,400
Direct expen. accrued on 31 st Dec.	240
Value of plant on Dec. 31 st	11,000

The contract price has been agreed at Rs. 2,50,000. Cash has been received from the contractee amounting to Rs.1.80,000.

OR

- b) Product X is obtained after it passes through 3 distinct processes. You are required to prepare process accounts from the following information.

	Total	Process-I	Process-II	Process-III
Material	15,084	5,200	3,960	5,924
Direct Wages	18,000	4,000	6,000	8,000
Production Overheads	18,000	--	--	--

1,000 units @ Rs.6 per unit were introduced in Process-I. Production Overheads are to be distributed at 100% on Direct Wages.

	Actual Output	Normal Loss	Value of Scrap per unit
Process-I	950	5%	Rs.4.00
Process-II	840	10%	Rs.8.00
Process-III	750	15%	Rs.10.00

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