

(i) Printed Pages : 7

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(ii) Questions : 9

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**B.Com. 3<sup>rd</sup> Semester**

**1125**

**COST ACCOUNTING**

**Paper : BCM 302**

**Time Allowed : Three Hours]**

**[Maximum Marks : 80**

**SECTION-A**

**Note :-** Students are required to attempt **four** parts from this Section.  
Each part carries 5 marks.

1. (a) Centralized Purchasing.
- (b) Calculate Re-ordering level, Minimum level and Maximum level for Material X and Material Y using following information :

Minimum usage per week each—50 units

Maximum usage per week each—150 units

Normal usage per week each—100 units

Ordering quantity—Material X 600 units and Material Y 1000 units

Delivery Period—Material X, 4 to 6 weeks and Material Y, 2 to 4 weeks.

- (c) Calculate the earnings of worker M and N under Straight Piece-rate System and Taylor's Differential Piece-rate System from the following particulars :

Normal rate per hour = Rs. 1.80

Standard time per unit = 20 seconds

Differentials to be applied;

80% of piece rate below standard

120% of piece rate at or above standard

Worker M produces 1400 units per day and worker N produces 1600 units per day.

- (d) A factory normally produces 2500 units every month at a total cost of Rs. 50,000. At full capacity, it can produce 3,000 units every month at a cost of Rs. 54,000. Calculate :

(i) Average cost per unit under normal operations

(ii) Average variable cost per unit

(iii) Total fixed cost

(iv) Average fixed cost at full capacity.

- (e) Calculate Machine Hour Rate from the following :

(i) Cost of machine Rs. 25,000 with scrap value of Rs. 4,000



- (ii) Repair and maintenance charges per month Rs. 600
  - (iii) Standing charges per month for the machine Rs. 200
  - (iv) Effective working life of the machine 5000 hours
  - (v) Running time per month 200 hours
  - (vi) Power used by machine per hour is 5 units @ Re. 0.60 per unit.
- (f) Advantages of Integral Accounting.

### SECTION-B

**Note :-** Students are required to attempt **two** questions from this Section. Each question carries 15 marks.

2. What is the meaning of Cost Accounting ? Make its comparison with Financial Accounting. What deficiencies does this system suffer from ?
3. The Store Ledger Account of material G showed the following transactions for the month of September, 2015 :
  - Sep. 1 Opening Stock 300 units @ Rs. 8 per kg
  - Sep. 4 Received from A 500 kg @ Rs. 8.25 per kg
  - Sep. 7 Issued to production dept. 250 kg

Sep. 11 Issued to production dept. 350 kg  
Sep. 13 Received from B 600 kg @ Rs. 8.30 per kg  
Sep. 16 Issued to production dept. 300 kg  
Sep. 17 Received from F 700 kg @ Rs. 8.40 per kg  
Sep. 19 Received from G 400 kg @ Rs. 85.35 per kg  
Sep. 22 Issued to production dept. 500 kg  
Sep. 24 Issued to production dept. 300 kg  
Sep. 25 Issued to production dept. 300 kg

You are required to price the issues and find out the closing balance in the form of Store Ledger Account using FIFO method.

4. The standard time allowed for the job is 50 hours. The hourly rate of guaranteed wages is Rs. 2.00. Because of the savings in time, a worker M gets an hourly wages of Rs. 2.50 under Rowan Premium Bonus System. For the same saving in time, calculate the hourly rate of wages worker M will get under Halsey Premium Bonus System.
5. What is Labour Turnover ? Why do we experience it ? Can it be checked ?



## SECTION-C

**Note :-** Students are required to attempt **two** questions from this Section. Each question carries 15 marks.

6. What is the meaning of classification of Overhead Costs ? Discuss all four classifications of Overhead Costs.
7. Following information has been received from the records of a manufacturing company :

	1-1-2014 (Rs.)	31-12-2014 (Rs.)
Stock of Raw Materials	40,000	50,000
Stock of Finished Goods	1,00,000	1,50,000
Stock of Work in Progress	10,000	14,000

Transaction during the year are :

	Rs.		Rs.
Indirect Labour	50,000	Carriage Outward	20,000
Lubricants	10,000	Power	30,000
Insurance of Plant	3,000	Direct Labour	3,00,000
Purchases of Raw Materials	4,00,000	Depreciation on	
Sale Commission	60,000	Machinery	50,000
Salaries of Salesmen	1,00,000	Factory Rent	60,000

	Rs.		Rs.
Administrative expenses	1,00,000	Tax on Factory Building	11,000
		Sales	12,00,000

Prepare Statement of Cost and Profit showing Cost of Raw Materials Consumed, Prime Cost, Total Manufacturing Cost, Factory Manufacturing Cost, Cost of Production, Cost of Goods Sold, Cost of Sales and Profit.

8. During the financial year ending 31-3-2014, the profits of a firm as per Profit and Loss Account are Rs. 19,400. You are required to prepare a Reconciliation Statement and arrive at the profit as per Cost Accounts using the additional information given here :

### Profit and Loss Account

For the year ending 31-3-2014

	Rs.		Rs.
Opening Stock	2,50,000	Sales	3,70,000
Purchases	85,000	Closing Stock	77,500
Direct Wages	24,200	Sundry Incomes	800
Factory Overheads	23,800		
Administrative Overheads	10,900		
Selling Expenses	24,000		
Net Profit	30,400		
	4,48,300		4,48,300



The costing records show :

- (i) Closing balance of Stock Rs. 82,000.
- (ii) Direct Wages Rs. 26,300.
- (iii) Factory Overheads Rs. 18,500.
- (iv) Administrative Overheads 4% of Sales.
- (v) Selling Overheads 5% of Sales.

9. What is Cost Ledger Accounting ? Discuss its advantages and explain various Control Accounts.