

(i) Printed Pages : 4

Roll No. ....

(ii) Questions : 14 Sub. Code : 

1	7	8	1	8
---	---	---	---	---

Exam. Code : 

0	0	1	3
---	---	---	---

**Bachelor of Commerce 3<sup>rd</sup> Semester**  
**(2124)**

**COST ACCOUNTING**

**Paper : BCM-302**

**Time Allowed : Three Hours]**

**[Maximum Marks : 80**

**Note :—** Attempt **four** short answer type questions from Section A.  
Attempt **two** questions each from Section B and  
Section C.

**SECTION—A**

1. What are the objectives of cost accounting ?
2. What is meant by labour turnover ? State its causes and effects.
3. From the following details of V LTD. compute profit in financial accounts as well as in cost accounts and reconcile profit between cost and financial accounts showing clearly the reasons for the variation of the two profit figures :  
Sales 20,000, Purchase of Material 3,000, C/S of Material 500, Direct Wages 1,000, Indirect Wages 500, Indirect expenses 2,000, Bad debts 100, Interest on Overdraft 50, Profit on sale

of assets 1,000, Selling expenses 2,000, Distribution expenses 1,000. And in the Cost Accounts : Manufacturing Overhead Recovered @ 300% on direct wages, Selling Overhead recovered 1,500, Distribution Overhead recovered 700.

4. Find out the all stock level from the following particulars :  
Minimum consumption 100 units per day, Maximum consumption 200 units per day, Normal consumption 150 units per day, ROQ 1,500 units, Minimum ROP 7 days, Maximum ROP 15 days, Normal ROP 10 days.
5. Calculate the amount of wages and bonus earned by the worker :  
Clock no 216, Commenced job Saturday 23<sup>rd</sup> June 8 a.m., Finished job Wednesday 4<sup>th</sup> July 5 p.m., Rate Rs. 2 per hour, Time allowed 10 Units per hour, Bonus 50% of the time saved, Number of units of work passed 718, Pay week commence at 8 a.m. on Wednesday. Assuming that the employee worked an eight hours per day and no overtime : Saturday 4 hours.
6. Work out the Comprehensive Machine Hour Rate for the following machine whose scrap value in nil : Cost of Machine 1,80,000, Installation cost 20,000, Working life 5 years, Repair and maintenance 40% of depreciation, Annual power Expenses @25 Paise per unit 6,000, Eight Hourly day charges : power 24, oil 20, Consumable stores 28 and operator wages 80.

$$4 \times 5 = 20$$

### SECTION—B

7. What is the meaning of Cost Accounting ? Make its comparison with financial accounting. What Deficiencies does this system suffer from ?



8. Outline the steps in the purchasing cycle and also prepare various documents used in it.
9. The standard time allowed for the job is 30 hours. The hourly rate of guaranteed wages is Rs. 1.50. Because of the saving in time, a worker X gets an hourly wage of Rs. 1.80 under Rowan Premium Bonus System. For the same saving in time, calculate the hourly rate of wages a worker Y will get under Halsey Premium Bonus System.
10. M/s Y Ltd. are manufacturers of Picture Tubes for Television. Following are the details of their operation during 2017. Average Monthly Market Demand 2,000 Tubes : Ordering cost 100 per order : Inventory carrying cost 20% per annum : Cost of Tube 500 Per tube : Normal usage 100 Tubes per week : Minimum Usage 50 Tubes per week : Maximum Usage 200 Tubes per week : ROP 6 to 8 weeks : Compute from the above (1) EOQ and Total inventory cost (2) If the supplier is willing to supply quarterly 1,500 units at a discount of 5%, is it worth accepting ?  $2 \times 15 = 30$

### SECTION—C

11. What is Cost Ledger Accounting ? Discuss its advantages and explain various control accounts.
12. What is the purpose of Reconciling Cost and Financial Accounts ? Indicate the possible Sources of differences between them. How will you prepare Reconciliation Statement to reconcile the cost and financial accounts ?

13. From the following particulars related to a manufacturing company which has three production departments and two service departments.

Total departmental overhead expenses as per primary distribution is as follows :

PD1 = 6,300, PD2 = 7,400, PD3 = 2,800, SD1 = 4,500 and SD2 = 2,000. The company decided to charge the service department cost on the basis of the following (%).

	PD1	PD2	PD3	SD1	SD2
From SD1	40%	30%	20%	---	10%
From SD2	30%	30%	20%	20%	---

Find the total overheads cost of production department charging service department costs to production department apply Simultaneous Equation Method and Repeated Distribution Method.

14. A Manufacturing company has an installed capacity of 1,20,000 units per annum. The Cost structure of the product Manufactured is as under :

- (1) Variable cost per unit (Rs.) Materials 8, Labour 8 (subject to minimum 56,000 per month), Overheads 3.
- (2) Fixed overheads - Rs. 1,04,000 per annum.
- (3) Semi variable overheads Rs. 48,000 per annum at 60% capacity, which increase by Rs. 6,000 per annum for increase of every 10% of the capacity utilisation or any part thereof. The capacity utilisation for the next year is estimated at 60% for 2 months, 75% for 6 months and 80% for the balance part of the year. If the company is planning to have a profit of 25% on the selling price. Calculate the estimated selling price for each unit of production assuming that there is no opening and closing stock.

$$2 \times 15 = 30$$