

2012
Bachelor of Commerce
Third Semester
BCM-302: Cost Accounting

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A carries 5 marks each. Attempt two questions each from Section B and C respectively carries 15 mark each.

x-x-x

Section A

- 1) Difference between Bin Card and Stores Ledger.
- 2) What is overtime time. Discuss its accounting treatment?
- 3) From the following information calculate the cost for the month of October

Month	Output (Units)	Cost (Rs.)
August	200	3500
September	300	4500
October	180	?

- 4) Mr Munnabhai furnishes the following data relating to the manufacture of a standard product during the month of April 2011.

Raw Material Used Rs. 15,000; Direct Labour Charges Rs. 9,000; Machine Hours worked 900 Hours; Machine Hour Rate-Rs. 5; Administrative overhead 20% works Cost

Selling Overheads Rs 0.50 per unit; Units produced 17,100 units; Units Sold 16,000 Units @ Rs 4 Per Unit

You are required to prepare Cost sheet from the above Showing

- (a) Cost of production per unit
- (b) Profit per unit sold and profit for the period

- 5) A company manufactures table fans, ceiling fans, and room collers. The materials and wages cost are as under:

	Table Fan (Cost in Rs.)	Ceiling Fan (Cost in Rs.)	Room Cooler (Cost in Rs.)
Material for each	20	25	125
Wages for each	40	60	120
Production (units)	250	125	25

Total factory overheads Rs. 55,000. You are required to determine the works cost of each type of furniture after assuming that one ceiling fan is equivalent to two table fans and one room cooler is equal to five table fans for the purpose of factory overheads allocation.

- 6) From the following transactions, prepare Stores Ledger using the suitable method.

January 01 Opening balance- 200 units @ Rs. 6 per unit
January 05 purchases- 400 units @ Rs. 7 per unit
January 20 Issue- 200

(2)

February 05	issue- 100 units
February 06	purchases- 800 units @ Rs. 8 per unit
February 10	issue- 200 units
February 12	issue- 150 units

Section B

7) Compute the Machine Hour Rate from the following data:

	Rs.
Cost of Machine	1,00,000
Installation Charges	10,000
Estimated Scrap Value after expiry of its life (15 years)	5,000
Rent and Rates for the Shop per Month	200
General lighting for the shop per month	300
Insurance premium for the machine per annum	960
Repairs and Maintenance expenses per annum	1000
Power Consumption per Hour	10 units
Rate of Power per 100 units	20
Estimated working hours per annum This includes setting up time of 200 Hours	2200
Shop Supervisor's Salary per month	600

The Machine occupies $\frac{1}{4}$ of the total area of the shop. The Supervisor is expected to devote $\frac{1}{5}$ th of his time for supervising the machine.

8) From the following particulars, you are required to work out the earnings of a worker under:

straight piece rate system; (b) differential piece rate system; (c) Halsey Premium Plan (50%) bonus; (d) Rowan Plan.

Weekly working Hrs.	48
Hourly wage rate Rs.	7.50
Piece rate per unit Rs.	3.00
Normal time taken per piece	20 minutes
Normal output per week	120 pieces
Actual output for the week	150 pieces

Differential piece rate- 80% of the piece rate when output is below normal and 120% of piece rate when output is above normal.

9) "Cost Accounting is an unnecessary luxury for the business establishment." Do you agree with the statement? Discuss.

10) "Perpetual inventory system is an integral part of material control." Discuss this statement by bringing out the salient features and advantages of this system.

(3)

Section C

11) From the following prepare

- Profit and Loss accounts
- Cost sheet taking factory overheads 25% on prime cost, office overheads at 50% on factory cost and selling overheads at 10% on cost of goods sold.
- Reconciliation statement.

The selling price is fixed at cost plus 25%.

Particulars	Rs.
Opening stock – Raw Material	8,000
Opening stock – Finished goods	16,000
Closing stock – Raw Material	12,000
Closing stock – Finished goods	4,000
Purchase of Raw Material	48,000
Wages	20,000
Works Expenses	14,000
Sales	1,81,500
Office Expenses	10,000
Selling Expenses	10,000
Interest on Investment	4,000
Income Tax Paid	2,000

- 12) In a factory there are two service departments S1 and S2 and three production departments P1, P2 and P3. In April 2021 the departmental expenses were:

	Departments				
	P1	P2	P3	S1	S2
Indirect Cost (Rs.)	1380	2190	1290	630	510

The service department expenses are allotted on a percentage basis as follows:

Service Deptt.	P1	P2	P3	S1	S2
S1	30	40	20	-----	10
S2	10	20	50	20	-----

Prepare a statement showing the distribution of two service Departments to the three production departments by:

- Simultaneous Equation Method
- Repeated Distribution Method

- 13) What do you mean by reconciliation? Why is it carried out? Explain the main reasons for the difference in the net profits shown by cost accounts and financial accounts.

- 14) What is meant by cost ledger accounts? Briefly explain the various cost ledger accounts. Describe their advantages.