

4 SEM TDC COAC 1 (G/S) N/O

2018

(May)

COMMERCE

(General/Speciality)

Course : 401

(Cost Accounting)

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

(New Course)

Full Marks : 80

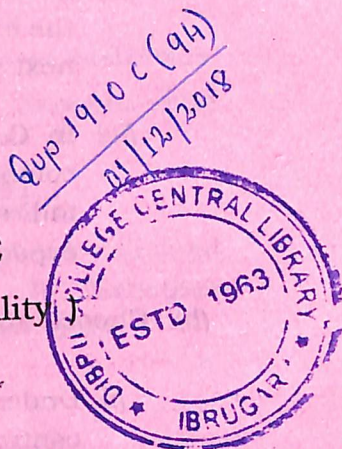
Pass Marks : 24

1. (a) Fill in the blanks :

1×4=4

(i) Fixed cost per unit _____ when
volume of production increases.

(ii) In printing industries, the method
of _____ costing is applied.



(2)

(iii) In process costing, the output of the each process is the _____ of the next process.

(iv) In Cost Accounting, _____ is the combination of indirect material, indirect labour and indirect expenses.

(b) Choose and write the correct answer :

1×4=4

(i) Under the ABC analysis of material control, A stands for low value/moderate value/high value items.

(ii) In a chemical industry, the method of process costing/contract costing is applied.

(iii) Variable overhead cost is a period cost/an output cost.

(iv) Cost of abnormal idle time and overtime is transferred to costing Profit and Loss Account/General Profit and Loss Account.

2. Write on the following (any four) : 4×4=16

(a) Distinction between Cost Accounting and Financial Accounting (any four points)

CA

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(Continued)

(3)

CA

(b) Causes of labour turnover

(c) Allocation and absorption of overheads

(d) Reconciliation of Cost Account and Financial Account

(e) Perpetual inventory system

3. (a) The following data have been extracted from the books of M/s. ABC Industries Ltd. for the calendar year, 2017 :

	₹
Opening stock of raw materials	25,000
Purchase of raw materials	85,000
Closing stock of raw materials	40,000
Carriage inwards	5,000
Wages : Direct	75,000
Indirect	10,000
Other direct charges	15,000
Rent and rates : Factory	5,000
Office	500
Indirect consumption of materials	500
Depreciation : Plant	1,500
Office furniture	400
Salary : Office	2,500
Salesman	2,000
Other factory expenses	5,700
Other office expenses	700
Managing Director's remuneration	12,000
Other selling expenses	1,000
Travelling expenses of salesman	1,100
Carriage and freight	1,400

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(Turn Over)

(4)

	₹
Sales	2,50,000
Advance income tax paid	15,000
Advertisement	2,000

Managing Director's remuneration is to be allocated in the ratio of 2:1:3 for factory, office and sales departments respectively.

From the above information, prepare the different phases of cost and net profit. 14

Or

- (b) What do you mean by material control? What are its techniques? Discuss its significances. 3+3+8=14

4. (a) The following are the information in respect to a worker who has manufactured 240 articles during the last week of December 2017 :

Working hours during the week are 48 hours, standard rate ₹ 5 per hour and standard time to manufacture an article is 15 minutes.

Calculate his gross wages for the week according to—

- piecework with guaranteed weekly wages;
- Rowan Premium Bonus Plan;
- Halsey Premium Bonus Plan.

4+5+5=14
(Continued)

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(5)

Or

- (b) (i) Describe the essential characteristics of a good system of wage payment. 7

- (ii) Describe with illustration the salient features of Rowan Plan and Halsey Plan. 7

5. (a) From the following information, compute machine hour rate of a machine in a shop consisting of 3 machines occupying equal floor space. The estimated working hours per year are fixed at 2500 hours in which normal idle time is estimated at 20% of the standard time : 14

Rent and taxes of the shop per annum—₹ 3,600
General electricity for the shop per month—₹ 200
Repairs and maintenance expenses for the machine per annum—₹ 600
Rate of power charges for 100 units (the machine consuming 10 units per hour)—₹ 3
Foreman's salary for supervising all the machines per month—₹ 750
Indirect labour cost—₹ 2 per hour for the machine
The machine cost—₹ 1,30,000
Scrap value is estimated at ₹ 10,000

Estimated life is 10 years. The foreman devotes equal attention for each machine in the shop.

(Turn Over)

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(6)

Or

- (b) What factors would you consider for determining the overhead absorption rate? Explain the causes of over- and under-absorption of overheads. 7+7=14

6. (a) ^{CA} A product of a manufacturing concern passes through two processes A and B and then to finished stock. It is ascertained that in each process 5% of the total weight is lost and 10% is scrap, which from processes A and B realises ₹ 80 per tonne and ₹ 200 per tonne respectively.

The following are the figures relating to both the processes :

	Process—A	Process—B
Materials (tonnes)	1000	70
Cost of materials (₹ per tonne)	125	200
Wages (₹)	28,000	10,000
Manufacturing Expenses (₹)	8,000	5,250
Output (tonnes)	830	780

Prepare the Process Cost Accounts showing cost per tonne of each process. There was no work-in-progress in any process.

(7)

Or

- (b) (i) Define job costing. Where is it applied? 2+2=4

- (ii) Under what circumstances, we need to prepare Reconciliation of Cost Account and Financial Account and how is it prepared? 10