

2015

( 3rd Semester )

COMMERCE

Paper No. : BC-304

( Cost Accounting )

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 45 )

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

Answer **all** questions

1. (a) Distinguish between Cost Accounting and Financial Accounting. 9

Or

- (b) From the following particulars, prepare a Cost Sheet :

	₹
Stock of raw materials (01.01.2014)	30,850
Work-in-progress (01.01.2014)	60,850
Purchase of raw materials	1,43,250

	₹
Direct wages	1,78,500
Production overhead expenses	1,42,800
General overhead expenses	1,12,700
Stock of raw materials (31.12.2014)	37,700
Work-in-progress (31.12.2014)	67,750
Sales for the year	8,50,625

2. (a) Prepare Stores Ledger under FIFO method from the following : 9

2007

June 1	Opening stock—200 units at ₹ 20 each
• 5	Received—100 units at ₹ 22 each
• 10	Purchased—150 units at ₹ 24 each
• 20	Received—180 units at ₹ 25 each
• 24	Purchased—200 units at ₹ 24 each

Issues were made as follows :

2007

June 2	150 units
• 7	100 units
• 12	100 units
• 28	200 units

Or

- (b) Discuss the advantages and disadvantages of LIFO and FIFO methods of pricing materials issue.

3. (a) Discuss the basis of apportionment of overheads.

9

Or

- (b) The Modern Co. is having four departments. A, B and C are the producing departments and D is the servicing department. The actual costs for a period are as follows :

	₹
Rent	2,000
Repair	1,200
Depreciation	900
Lighting	200
Supervision	3,000
Insurance—Stock	1,000
Employee's Insurance— Employer's Liability	300
Power	1,800

The following data are also available in respect of four departments :

	<u>Departments</u>			
	A	B	C	D
Area (sq. ft)	150	110	90	50
No. of Workers	24	16	12	8
Total Wages (in ₹)	8,000	6,600	4,000	2,000
Value of Plant (in ₹)	24,000	18,000	12,000	6,000
Value of Stock (in ₹)	15,000	9,000	6,000	—

Apportion the cost to various departments on the most equitable method.

4. (a) Define batch costing. Discuss the advantages and disadvantages of batch costing. 1+(4+4)=9

Or

- (b) The following particulars are in respect of a contract which commenced on 01.01.2010 :

	₹
Material Issued	58,000
Direct Wages	75,000
Cost of Special Plant	30,000
Direct Expenses	12,000
Establishment Charges	8,000

The contract was completed by 31.12.2010. The contract price was ₹ 1,75,000. The value of materials returned to stores was ₹ 5,000. The special plant was returned to stores subject to depreciation at 20% per annum. Contract price was received in full on 31.12.2010.

Prepare Contract A/c. 9

5. (a) Define process costing. Discuss the advantages and disadvantages of process costing. 1+(4+4)=9

Or

- (b) A product of a company passes through three separate processes. From the following information, prepare Process A/cs : 9

Materials introduced into process A—20000 units at ₹ 8,000

Other particulars are as follows :

	Processes		
	A	B	C
Direct Materials (in ₹)	6,000	2,000	2,000
Direct Labour (in ₹)	4,000	3,000	3,000
Overheads (in ₹)	4,000	2,000	1,000
Normal Loss	2%	5%	10%
Scrap Value per 100 units (in ₹)	5	20	10
Output (in units)	19600	18400	16700

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( 3rd Semester )

**COMMERCE**

Paper No. : BC-304

**( Cost Accounting )**

( PART : A—OBJECTIVE )

( Marks : 25 )

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

1. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) Cost Accounting is not needed if prices are beyond the control of the firm.

( T / F )

(b) Goods received note is prepared by the goods received clerk.

( T / F )

(c) The basis of apportionment of cost of steam is wages of each department.

( T / F )

(d) Job costing is applied only in small concerns.

( T / F )

(e) The cost of abnormal process loss is not included in the cost of the process.

( T / F )

2. Choose the correct answer and place its code in the box provided : 1×5=5

(a) Cost Accounting aids in

(i) stores keeping

(ii) price fixation

(iii) marketing policy

(b) ABC analysis is made on the basis of

(i) unit prices of materials

(ii) unit prices of labour

(iii) unit prices of overheads

(c) Warehousing cost is an item of

(i) office overhead

(ii) distribution overhead

(iii) material cost

(d) The loss incurred on an incomplete contract is transferred to

(i) Work-in-progress A/c

(ii) Contract A/c

(iii) Profit & Loss A/c

(e) Which loss is unavoidable on account of inherent nature of production processes?

(i) Normal loss

(ii) Abnormal loss

(iii) Defective loss



3. Fill in the blanks :

1×5=5

(a) The total of all direct expenses is known as  
..... cost.

(b) Last-in, first-out method of issuing material is  
suitable in times of .....

(c) Cost pertaining to a cost centre may be divided  
into two portions, i.e., .....

(d) In job costing, each .....  
is a cost unit to which all costs are assigned.

(e) When actual loss in a process is less than the  
· anticipated loss, the difference between the two  
is considered to be .....

( 5 )

4. Write on the following in 4 or 5 sentences each : 2×5=10

(a) Cost Centre

*(b)* Bin Card

(c) Labour Turnover

(d) Calculation of Abnormal Gain

(e) Allocation of Overhead

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