

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. (SEMESTER-II) EXAMINATION, APRIL 2016
COST ACCOUNTING (Foundation course)

Duration: 2 Hours

Marks: 80

- Instructions :-**
- 1) Q.No.1 is compulsory
 - 2) Answer **ANY THREE** questions from Q.No.2 to Q.No.6
 - 3) All questions carry equal marks
 - 4) Working note should be part of the answer.

Q.1) In respect of a factory the following figures have been obtained for the year ended 31st December 2014. (20)

Cost of materials	720000	Administrative overheads	403200
Wages for labour	600000	Distribution expenses	168000
Factory overheads	360000	Sales	3024000
Selling overheads	268800		

On the basis of the above figures, a work order has been executed in 2015 and the following expenses have been incurred.

Materials	64000
Wages of labour	40000

Assuming that during 2015, the factory overhead has gone up by 20%, Distribution charges have gone down by 10% and selling and administrative overheads have each gone up by 12½% at what price should the product be sold so as to earn the same rate of profit on the selling price as in 2014.

Factory overhead is on the bases of Direct wage, administration overheads, selling and distribution overheads are on the bases of Factory cost. Prepare estimated cost sheet.

Q.2) Vashist company Ltd. Has three production departments and 2 service departments. The actual expenses for the month are as follows (18)

Particulars	-----
Rent and rates	25000
General lighting	3000
Indirect wages	9695
Power	7500
Depreciation on Machinery	50000
Sundry	48475

Particulars	Production 1	Production 2	Production 3	Service 1	Service 2
Direct wages (₹)	15000	10000	15000	7500	975
Working hours	15350	22375	12095	-	-
Value of machine (₹)	300000	400000	500000	25000	25000
Horse power of machines	300	150	250	50	-
Light points	50	75	100	50	25
Floor area sq.ft.	10000	12500	15000	10000	2500

Expenses of service department are as under

Particulars	Production 1	Production 2	Production 3	Service 1	Service 2
Service 1	20%	30%	40%	-	10%
Service 2	40%	20%	30%	10%	-

You are required to distribute the overheads under Primary and Secondary Repetitive Distribution method.

Q.2.B) Write a short note on overtime (2)

Q.3A) Compute the Machine hour rate for a Stamp fixation Machine (15)

Rent rates and Taxes (for 9 months)	∖ 10800
Supervision's Salary (for 3 months)	∖ 12000
Insurance (for 6 months)	∖ 600
Lighting (for 1 month)	∖ 200
Repair charges per annum	∖ 4000
Power consumption	5 units per hour
Power charges	∖ 50 for 500 units
Cost of Machine	∖ 90000
Scrap value	∖ 10000
Life of Machine	10 years

Machine works for 4800 hours per annum, out of which 800 hours are lost as ideal time
 The machine occupies $\frac{1}{2}$ of the total area of the factory
 Supervisors spends $\frac{1}{6}$ of its time for machine
 Light charges must be apportioned on the basis of space area occupied
 Calculate Machine hour rate per annum.

Q.3.B) Explain the different methods of Time keeping. (5)

Q.4.A) The production department of a factory furnishes the following information for the month of March. (16)

<u>Particulars</u>	<u>Works Department</u>	<u>Finishing Department</u>
Material used	6000	500
Direct labour	3000	1500
Factory overheads	1800	1200
Direct labour hours	12000	5000
Machine hours	10000	2000

The following information is related to Job No:45

<u>Particulars</u>	<u>Works Department</u>	<u>Finishing Department</u>
Material used	120	10
Direct Labour	65	25
Direct Labour hours	565	70
Machine hours	255	25

You are required to enumerate the 5 methods of absorbing factory overheads by Jobs showing the rate for each department under the methods quoted and prepare a statement showing the different cost results for Job No:45 under each of the four methods

- Percentage of Direct material
- Percentage of Direct labour
- Machine hour rate
- Labour hour rate

Q.4.B.Explain labour turnover and the causes of labour turnover (4)

Q.5.A) With the help of the following information you are required to ascertain the bonus paid to workers Rajni, Gajni and Sajni under : (18)

a) Merrik's piece rate system.

Standard time allowed 1 minute

Normal time rate per hour ₹ 5.40

The worker works for 10 hours per day

Output

Rajni – 450 units, Gajni – 580 units and Sajni – 900 units.

b) Solve the following under the Halsey Premium plan and Barth plan:

Standard time 600 hours

Normal time rate per hour ₹ 5.40

Time taken;- Amar – 200 hours, Akbar – 350 hours and

Anthony – 150 hours

Q.5.B) Write a short note on idle time. (2)

Q.6.A) From the following particulars calculate the wage bill and labour cost per hour for a month for worker ANAND and ABIJIT. (16)

Particulars	Anand	Abijit
Basic wage	500	800
Dearness allowance	50%	50%
Contribution to PF (on basic wage)	8%	8%
Contribution to ESI (on basic wage)	2%	2%
overtime	10hours	

Normal working hours for a month are 200

Overtime is paid at double the total normal wages plus D.A

Employers contribution to ESI and PF are at equal rates of employees contribution.

Q.6.B) Write a short note on treatment of office and administration overhead. (4)

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