

GVM's GOPAL GOVIND POY RAITURKAR COLLEGE OF COMMERCE & ECONOMICS, PONDA - GOA
INTRA SEMESTER ASSESSMENT – I

B. COM. SEMESTER – II EXAMINATION JANUARY 2013
COST ACCOUNTING (FOUNDATION COURSE)

MAX. MARKS: 10

TIME: 30 MINUTES

Instructions to the Candidates:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Use of only a Standard Standalone Calculator is allowed.
4. This question paper consists of 2 pages.

Q.I Attempt the following multiple choice questions: [4 questions × ½ mark each = 2 marks]

1. An overhead is _____
 - A. an indirect expense
 - B. either fixed or variable
 - C. none of the above
 - D. both of the above
2. Read the following statements given below and choose the correct option given below them.
 - i. Some Overhead Costs are administrative in nature.
 - ii. Step Ladder re-apportionment is non-reciprocal method.
 - iii. Product Unit Rate Absorption = Actual or Estimated Factory Overheads / Output given.
 - iv. Departmentalisation of overheads happens prior to recovery of overheads.
 - A. Only statements (i) & (ii) are true
 - B. Only statements (iii) & (iv) are true
 - C. All statements are true
 - D. All statements are false
3. Choose odd alternative in relation to Factory Overheads
 - A. Nails and polish in furniture making
 - B. Repairs and Maintenance
 - C. Salary to foremen
 - D. Thread and buttons in cloth making

4. Match the sides

Side 'A'

Side 'B'

- | | |
|-------------------|---|
| i. Allocation | a) Charging overheads to cost units |
| ii. Apportionment | b) Charging overheads to one department |
| iii. Absorption | c) Charging overheads to one another |
| | d) Charging overheads to many departments |

- | | | | |
|----|---|----|-----|
| | i | ii | iii |
| A. | b | d | a |
| B. | b | c | a |
| C. | a | b | c |
| D. | a | d | c |

Q.II Answer **ANY ONE** of the following in not more than 50 words.

[2 marks]

1. Classification of Overheads on the basis of Elements of Cost.
2. Methods of Secondary Distribution of Overheads.

Q.III Prepare Primary cum Secondary Distribution Summary using following details:

[6 marks]

	Total Expenses	Production Departments		Service Departments	
		P	Q	S	T
Direct Wages	₹ 30,000	₹ 18,000	₹ 12,000	₹ 2,000	₹ 2,000
Direct Material	₹ 16,000	₹ 6,000	₹ 5,000	₹ 3,000	₹ 2,000
Stores	₹ 1,200	--	--	--	--
Lighting	₹ 600	--	--	--	--
Welfare	₹ 9,000	--	--	--	--
No. of Light Points		10	15	10	15
No. of Workers		125	75	25	25
Labour Hours		9000 hrs.	8000 hrs.		

Re-apportion expenses of service departments to the various production departments as follows:

- (a) 'S' Department in proportion to Direct Wages.
- (b) 'T' Department in equal proportion.

Calculate the factory overhead rate for the production departments assuming that the overheads are absorbed:

- (x) as a percentage of Direct Wages.
- (y) on Labour Hour basis.

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