

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA-GOA
B.COM. (SEMESTER-II) SUPPLEMENTARY EXAMINATION
MAY/JUNE 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) The under mentioned figures have been collected from the books of a company:

Cost of material	` 800000	Administrative Charges	` 340000
Cost of Labour	` 600000	Selling Charges	` 85000
Factory Overhead	` 300000	Distribution Charges	` 85000

On the basis of the above figures a work-order has been executed and the following expenses have been incurred thereon: (20)

Material - ` 20000, Labour - ` 12000

Factory Overheads is based on Direct wages. Administration, selling and Distribution Charges are based on Factory cost. Assuming that factory Overhead has gone up by 10% and other overheads maintained at the same percentage and Profit charged is 20% on the total cost, find out the total price of the work order. Prepare estimated cost sheet.

Q.2.A) Cibaca Co. Ltd. has three production departments X, Y, Z and two service Departments A and B. The following figures for a certain period are available

Rent and Rates	`	10,000
Lighting and Electricity	`	1,200
Indirect Wages	`	3,000
Power	`	3,100
Depreciation of Machinery	`	20,000
General Expenses	`	20,000

(18)

Following further details are also available.

Particulars	X	Y	Z	A	B
Floor area (S.q.mts)	2,000	2,500	3,000	2,000	500
Light Points (Nos)	20	30	40	20	10
Direct Wages (₹)	6,000	4,000	6,000	3,000	1,000
Direct Material (₹)	15,000	15,000	4,000	2,000	4,000
Horsepower of Machines	120	60	100	20	10
Value of Machinery	24,000	32,000	40,000	2,000	2,000

The Expenses of Services Departments A and B are to be allocated as follows.

	X	Y	Z	A	B
A	20 %	30%	40%	--	10%
B	40%	20%	30%	10%	---

You are required to prepare a statement of Primary and Secondary Distribution under the Repetitive Distribution method.

Q.2.B Write a short on monetary benefits. (2)

Q.3 A) The following annual charges have been incurred in respect to a shop having 5 identical machines: (15)

- Rent and rates - ₹ 9600
 - Power consumed by machine is 10 units per hour @ 0.5 paise per unit
 - Repairs and maintenance for the machine - ₹ 2000
 - Light charges for the shop - ₹ 1200
 - Attendance salary (there are 2 attendants and each is paid ₹ 200 per month)
 - Supervisor's salary (one supervisor for 5 machines) monthly salary - ₹ 800
 - Lubricants and water waste of shop - ₹ 700
 - Depreciation on each machine - ₹ 1200
 - Hire Purchase, installment payable for the machine including ₹ 600 as interest - ₹ 4600
 - Power consumption by the shop - ₹ 6000
- Compute machine hour rate for the year.

Q.3.B) Classify overheads on the basis of behaviour and Function (5)

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

<u>Particulars</u>	<u>P</u>	<u>Q</u>
Material	27000	189000
Direct wages	22500	157500
Overhead charges to Department	18000	126000
labour hours worked	18000	12500
Machine hours Operation	15000	100000

For the order executed by the department during the period the relevant information was as under Job No.83.

<u>Particulars</u>	<u>P</u>	<u>Q</u>
Material used	3000	21000
Direct Wages	1600	12800
Labour hours worked	1600	11200
Machine hours operation	1200	10800

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 under each of the four methods

- a) Percentage of Direct material
- b) Percentage of Direct labour
- c) Machine hour rate
- d) 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 Rosi, Lilee and Jasmi under (18)

a) Taylors piece rate system.

Standard time allowed - 2 minutes

Normal time rate per hour - ₹ 8.40

The worker works for 8 hours per day.

Output

Rosi – 180 units, Lilee – 220 units and Jasmi – 300 units.

b) Solve the following under Rowan Premium Plan and Barth Plan

Standard time allowed - 800 hours

Normal time rate per hour - ₹ 5.40

Actual time Rosi - 170 hours, Lilee – 480 hours and Jasmi – 720 hours

Q.5.B) Write a short note on absorption of overheads (2)

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

<u>Particulars</u>	<u>SANA</u>	<u>BANA</u>
Basic wage	2000	3200
Dearness allowance	50%	50%
Contribution to PF (on basic wage)	8%	8%
Contribution to ESI (on basic wage)	2%	2%
overtime	14 hours	

Normal working hours for a month are 800

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 short note on :

i) Attendance register method

ii) Key recorder system

(4)

XXXXXXXXXXXXXXXXXX