

**Goa Vidyaprasark Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF
COMMERCE AND ECONOMICS PONDA - GOA
B.COM. CBCS (SEMESTER-V) EXAMINATION, JANUARY 2021
COST ACCOUNTING MAJOR 2 (DSE 2)**

Duration: 2 hrs.

Marks: 80 Marks

- Instructions: 1. Question No. 1 is compulsory.
2. Answer any 3 questions from 2 to 6.
3. Give working notes wherever necessary.
4. All questions carry equal marks.

Q 1 The following information was obtained from INDIA COMPANY which has 3 production departments A B and C and 2 service departments X & Y for the year 2020.

BASE	<u>Production Depts.</u>			<u>Service Depts.</u>	
	A	B	C	X	Y
Direct Wages (₹)	80000	70000	90000	20000	10000
Direct Materials (₹)	90000	70000	60000	5000	5000
Area occupied (sq. mtrs)	40	30	30	20	20
Workers	20	15	10	05	05
Asset Value (₹)	150000	130000	120000	80000	50000
Light Points	20	30	40	10	10
Power in Kwh	40	30	20	10	05

Following expenses were incurred during the year (in ₹)

Building Rent	30000	Power expense	30000	Stores expense	6000
Light bill	15000	Labour welfare	15000	Depreciation	18000
PF contribution	20000	Building repair	18000	Sundry expense	4000

Expense of service department X should be re-distributed to all the production departments in the ratio of 2:3:5 and of department Y in the ratio of 3:4:3 to department A B and C under Secondary Distribution Summary. (20)

Q 2 Following is the information of worker Rajesh for a week.

Weekly working hours.	48
Wage rate per hour	₹ 120
Rate per article	₹ 50
Normal time per article	20 minutes
Actual output	162 articles

Find out his weekly wages under

1. Halsey and Rowan Plan
2. Straight (direct) piece rate Method
3. F W Taylor's Method. (80% and 120% of piece rate formula) (20)

Q 3 a) From the following data find out MHR. (12)

Yearly rent of the machine shop	₹ 72000
Insurance per quarter	₹ 8000
Monthly maintenance of the machine	₹ 1000
Depreciation of the machine	₹ 9000
Monthly salary of a machine operator	₹ 10000
Monthly salary of a helper	₹ 6000
Sundry expenses per quarter of machine	₹ 2500

Annual working hours of machine 3600

Machine consumes 10 units of power per hour at the rate of ₹ 4 per unit.

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b) The following is the budget of a workshop for the year 2019. (08)

Factory Overheads ₹ 14500 Direct labour cost ₹ 24450

Direct labour hours 33500

Find out overhead absorption rates using direct labour hour and labour cost method.

Also prepare a comparative statement of cost of Job No 111 when direct labour cost ₹ 14000, direct material cost ₹ 20000 and direct labour hours 3000.

Q 4 a) What do you mean by overtime? What are the causes for it? How it is treated? (10)

b) Following is the information of worker ANAND. Find out his gross and net salary. (10)

Particulars	Amount (₹)
Basic salary	80000
Dearness Allowance	20% of basic
H R A	15% of basic
Overtime Allowance	20000
Travelling Allowance	8000
Medical Allowance	4000
His contribution to ESI	8000
His contribution to EPF	9000
Payment to LIC towards Premium	15000
Income Tax and other deductions	25000

Q 5 a) What is time wage system? Write its merits and demerits. (10)

b) "Overheads are classified into many". Do you agree? Explain. (10)

Q 6 Write short notes on **any FOUR**. (20)

1. Piece rate method of wage payment
2. Idle time and its causes
3. Causes for labour turnover
4. Under and over absorption of Overheads
5. Primary and Secondary distribution method
6. Cost allocation and apportionment

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