

**Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA – GOA
B.C.A. (SEMESTER – II) SUPPLEMENTARY EXAMINATION
MAY/JUNE 2016
COST ACCOUNTING**

Duration: 2 hrs

Marks: 50

INSTRUCTIONS: 1) All questions are compulsory.
2) Use of calculator is allowed.

- Q.1. A) Answer the following: (10)
- 1) Define variable cost.
 - 2) What is cost of goods sold?
 - 3) What is abnormal Gain?
 - 4) Define job order costing?
 - 5) What do you understand by standard cost?

- Q.2. A) Following is the information obtained from the books of "Ranjeet & Company Ltd" for the year ended December 2015. (10)

Particulars	Amount (₹)	Particulars	Amount (₹)
Salesman's salary	4,000	Opening stock of work in progress	45,000
Manager's salary	15,000	Packing charges	6,600
Direct expenses	14,200	Purchases of materials	16,600
Closing stock of work in progress	20,000	Closing stock of finished goods	7,000
Income tax	12,900	Factory supervisor's salary	5,400
Motive power	7,000	Carriage inward	2,500
Opening stock of finished goods	15,000	Gas and water (factory)	3,900
Opening stock of raw materials	1,59,900	Other factory expenses	2,200
Carriage outward	4,500	Depreciation on factory machinery	5,400
Direct wages	8,900	Closing stock of raw materials	69,000

Office overheads to be calculated 80% of works cost.

Manager's salary is to be apportioned on equal basis to factory and sales.

You are required to prepare a statement of cost for the year ended December 2015, assuming that the percentage of profit is 25% on cost.

OR

- Q.2. B i) Differentiate between cost accounting and financial accounting. (5)
- B ii) Define a statement of cost. Explain in detail the purpose of it. (5)
- Q.3. A i) M/s Mumtaj & Co/- Furnishes you the following information regarding their receipts and issues of materials during the month of January 2016. (10)

<u>2016</u>			<u>Units</u>	<u>Price(₹)</u>
1 st	Jan	Purchased	150	2.00
2 nd	Jan	Purchased	70	2.20
4 th	Jan	purchased	190	2.25
6 th	Jan	Issued	210	----
8 th	Jan	Purchased	20	2.20
12 th	Jan	Issued	80	--
15 th	Jan	Purchased	200	2.40
25 th	Jan	Issued	240	--
27 th	Jan	Purchased	120	2.30
28 th	Jan	Issued	130	----

Ascertain the quantity of closing stock as on 31st January 2016 and state its value using LIFO method of inventory valuation.

OR

- Q. 3 B i) Krishna enterprises has provided you the following information regarding their product, for the year ended 31/12/2015.
 Maximum consumption 260 units per day
 Minimum consumption 120 units per day
 Normal consumption 200 units per day
 Reorder quantity 10000 units
 Reorder period 25 to 30 days
 You are required to calculate: (6)
 Maximum stock level, Minimum stock level, Reorder level, Average stock level.
- B ii) Explain the following.
 a) ABC analysis (2)
 b) First in first out method of inventory valuation. (2)
- Q. 4 A i) Calculate the total earnings and the rate earned per hour of three workmen, under the Halsey and rowan plan, the bonus under the Halsey plan is 50% of time saved.
 Standard time 24 hrs, (6)
 Halsey rate of wages per hr ` 4.00
 Time taken by workman A: 22 hrs
 Time taken by workman B: 20 hrs
 Time taken by workman C: 12 hrs
- A ii) Explain the following:
 a) Time rate system (2)
 b) Taylor's piece rate system (2)
- OR**
- Q. 4 B) Explain the following:
 a) Direct labour & indirect labour (2½)
 b) Idle time (2½)
 c) Overtime (2½)
 d) Causes of Labour Turnover (2½)
- Q. 5 A) Product Z is obtained after it passes through three distinct processes. The following information is obtained from the accounts for the month ending March 31st 2016. (10)

	Process			
	Total (₹)	I (₹)	II (₹)	III (₹)
Direct materials	7,542	2,600	1,980	2,962
Direct wages	9,000	2,000	3,000	4,000
Production overheads	9,000	---	---	---

1000 units @ ₹ 3 each were introduced in process I. there was no stock of material or work in progress at the beginning or at the end of the period. The output of each process passes directly to the next process and finally to finished stock. Production overheads are to be distributed as 100 % on direct wages.

	Process I	Process II	Process III
% of normal loss to input	5%	10%	15%
Output (units) during the month	950	840	750
Value of scrap per unit (₹)	2	15	10

Prepare process accounts.

OR

- Q. 5 B) M/s Bahubali Construction Co/- took a contract for construction of a building for ₹ 12,00,000 on 1st January 2015. The following information is available. You are informed that it is the practice of the company to take credit for 60% of the profit earned on the contracts in progress.

Direct Material issued	3,25,000
Direct Labour	4,00,000
Plant installed at cost	2,50,000
Establishment charges	75,000
Direct expenses	1,00,000
Work certified by architect	10,50,000
Cost of work not certified	50,000
Value of plant as at 31/12/2015	2,00,000
Materials at site on 31/12/2015	25,000
Cash received from contractor	9,45,000

You are required to show the contract account as on 31/12/2015.

(10)
