

**Goa Vidyaprasarak Mandal's  
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND  
ECONOMICS, PONDA-GOA  
B.C.A (SEMESTER-II) SUPPLEMENTARY EXAMINATION,  
MAY/JUNE 2018  
COST ACCOUNTING**

Duration: 2 Hrs

Marks: 50

*Instructions: 1) Use of calculator is allowed.  
2) Figures to the right indicate marks.*

- Q.1.A)** Answer the following. (2x5)
- What is works cost?
  - What is a budget?
  - What do you mean by abnormal loss?
  - What do you mean by standard cost.
  - Explain the concept of retention money.

- Q.2.A)** "M/s BARVE ENTERPRSES" provides you the following information for the year ended March 2018. (10)

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening stock (raw materials)	140000	Motive power	28000
Dep on factory machinery	32000	Other admin overheads	6800
Direct labour	96000	Purchases of raw materials	85500
General expenses	15000	Selling expenses 20% on factory cost	----
Carriage inward	1200	Dep on office machinery	15000
Rent rates –office	15000	Factory cleaning	9500
Gas, oil, fuel	7200	Closing stock of raw material	45000

You are required to prepare a cost statement as on 31/03/2018. The profit is to be calculated @ 25% on total cost.

**OR**

- Q.2.B.i)** Define EOQ. (2)
- Explain in detail the difference between financial accounting and cost accounting. (5)
  - Explain material consumed and prime cost. (3)

- Q.3.A)** M/s Sartaj & Co/- furnishes you the following information regarding their receipts and issues of materials during the month of January 2018. (10)

<u>2018</u>		<u>Units</u>	<u>Price</u> (₹)
1 <sup>st</sup> Jan	Purchased	300	2.00
2 <sup>nd</sup> Jan	Purchased	140	2.20
4 <sup>th</sup> Jan	purchased	380	2.25
6 <sup>th</sup> Jan	Issued	420	----
8 <sup>th</sup> Jan	Purchased	40	2.20

12 <sup>th</sup> Jan	Issued	160	--
15 <sup>th</sup> Jan	Purchased	400	2.40
25 <sup>th</sup> Jan	Issued	480	--
27 <sup>th</sup> Jan	Purchased	240	2.30
28 <sup>th</sup> Jan	Issued	260	--

Ascertain the quantity of closing stock as on 31<sup>st</sup> January 2018 and state its value using LIFO method of inventory valuation.

**OR**

**Q.3.B.i)** Two materials STAR and ZEE are used as follows:

Minimum usage --- 50 units per week each: (6)

Maximum usage ---150 units per week each;

Normal usage ---100 units per week each;

Ordering quantity: STAR -- 600 units and ZEE --- 1000 units

Delievery period: STAR --- 4 to 6 weeks

ZEE --- 2 to 4 weeks.

Calculate for each material: a) Minimum level b) Maximum level and c) Reorder level.

**B.ii)** Explain Lifo Method of inventory valuation and also mention its advantages and disadvantages. (4)

**Q.4.A.i)** Calculate the total earnings and the rate earned per hour of three employees, under the Halsey and Rowan Plan, the bonus under the Halsey Plan is 50% of time saved.

Standard time 20 hrs, (6)

Halsey rate of wages per hr ` 3.00

Time taken by employee A: 18 hrs

Time taken by employee B: 16 hrs

Time taken by employee C: 10 hrs

**A.ii)** Explain the advantages and disadvantages of Rowan Premium Plan. (4)

**OR**

**Q.4.B)** Explain the following. (2.5x4)

a) Halsey Premium Plan

b) Idle time

c) Labour turnover

d) Overtime

**Q.5.A)** A product passes through three distinct processes to completion. These processes are namely process A, process B and process C respectively. During the month 500 units are produced. The following information is obtained. (10)

	Process A (₹)	Process B (₹)	Process C (₹)
Direct materials	3500	1600	1500
Direct labour	2500	2000	2500

The overhead expenses for the period were ` 1400 apportioned to the processes on the basis of wages.

No work in progress or process stocks existed at the beginning or at the end of the week.

Prepare process accounts.

**OR**

**Q.5.B)** Raj Mahal construction company has undertaken a contract of construction of a building. The value of contract is 30,00,000 subject to a retention of 20% until one year after certified completion of contract. The following are the details as shown in the book as on 31/12/2017. (10)

	Amount (₹)
Labour on site	810000
Material direct to site less returns	700000
Hire and use of plant	25500
Materials from stores	120000
Direct Expenses	41000
General overheads of contract	50000
Material on hand as 31/12/2017	65000
Wages accrued as on 31/12/2017	15600
Direct expenses accrued as on 31/12/2017	3900
Work not certified	120000
Amount certified by engineers	2400000
Cash received	2000000

Prepare contract account for the year ended 31/12/2017.

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