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**Goa Vidyaprasarak Mandal's**  
**GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE**  
**AND ECONOMICS, PONDA-GOA**  
**B.C.A (SEMESTER-II) SUPPLEMENTARY EXAMINATION**  
**MAY/JUNE 2019**  
**COST ACCOUNTING**

**Duration: 2 Hrs**

**Marks: 50**

Instructions: 1. All Questions are compulsory.  
 2. Figures to the right indicate marks.

- Q .1. A) Answer the following: (2×5)
- a) What is Process Costing?
  - b) What is Prime Cost?
  - c) What is Stores Ledger?
  - d) What is Contract Costing?
  - e) What is Cost Centre?

Q.2. A) The following information is obtained from the Raj Ltd. for the year ended December 2018. (10)

Particulars	Amount	Particulars	Amount
Purchase of Raw Material	4,80,000	Interest on loans	12,000
Direct wages	2,20,000	Closing stock of Raw Materials	30,000
Factory Rent	70,000	Loss on sale of Furniture	10,000
Cost of Catalogues	34,200	Office Salaries	55,000
Depreciation on Plant and Machinery	38,000	Store Keepers Salary	18,000
Cost of Plant and Machinery purchased	2,50,000	Depreciation of Office Equipments	20,000
Opening stock of Raw Materials	50,000	Direct Expenses	1,80,000
Repairs of Office Furniture	25,000	Material handling charges	10,000
Carriage Outwards	26,600		

Other information:

- i. Stock of finished goods at the end of the year 1,000 units to be valued at cost of production.
  - ii. Number of units produced during the year were 20,000.
  - iii. Profit desired on sales is 20%.
- Prepare a cost sheet showing the various elements of cost.

**OR**

- Q.2. B. i) Explain the following.
- a) Limitations of Financial Accounting (2<sup>1/2</sup>)
  - b) Objectives of Cost Accounting (2<sup>1/2</sup>)
- ii) Write short note on Non-Cost items (5)

Q.3.A) Prepare a Stores ledger account from the following details of M/s Rahul Enterprise Limited Company using LIFO Method for the month February 2019

1 <sup>st</sup>	Purchased	4000 units @ ` 4.00 per unit
2 <sup>nd</sup>	Purchased	500 units @ ` 5.00 per unit
3 <sup>rd</sup>	Issued	2000 units
4 <sup>th</sup>	Purchased	6000 units @ ` 6.00 per unit

7 <sup>th</sup>	Issued	4000 units
8 <sup>th</sup>	Issued	1000 units
10 <sup>th</sup>	Issued	2000 units
11 <sup>th</sup>	Purchased	4500 units @ ₹ 5.50 per unit
15 <sup>th</sup>	Issued	3000 units

From the above prepare Stores Ledger Account.

**OR**

Q.3.B.i) From the following particulars calculate: (6)

a) Re-order level b) Minimum level c) Maximum level

Normal usage	100 units per day
Minimum usage	60 units per day
Maximum usage	130 units per day
Order quantity	5000 units
Re-order period	25 to 30 days

B. ii) Explain Simple Average Method and Weighted Average Method of Inventory. (4)

Q.4.A.i) A worker takes 0 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His day rate is 75 paise an hour, the material cost of the product is ₹ 4 and the overheads are recovered at 150% of the total direct wages. Calculate the factory cost under 1) Piece work system 2) Rowan Plan

c) Halsey Plan. (6)

ii) What do you understand by Time wage system? Explain its advantages. (4)

**OR**

Q.4 B .i) Calculate the earnings of A and B under Straight Piece Basis and Taylor's Differential Piece Rate System from the following information: (6)

Standard production: 7 units per hour

Factory Day: 8 hours

Normal time Rate: ₹ 2.80 per hour.

Differentials to be applied: 80% of piece rate below standard, 120 % of piece rate at or above standard.

Mr. A produces 50 units a day

Mr. B produces 60 units a day

ii) Explain Labour Turnover. State its effects. (4)

Q.5.A) An article has to undergo three different processes before it becomes ready for sale. From the following information find out cost of production per unit of that article, if 200 units of that article were manufactured up to 31<sup>st</sup> December, 2018.

Expenses of 200 units of article are:

	Manufacturing Process	Refining Process	Finishing Process
Material	2,000	1,000	750
labour	1,500	2,500	1,000
Direct Expenses	400	200	300

The indirect expenses for that period amount to ₹ 6,000 in the factory out of which ₹ 2000 is attributable to this product. There was no stock at the end in any process. The indirect expenses should be allocated to each process on the basis of Labour. (10)

OR

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Q.5.B) M/s Tannin brothers & co. undertook a contract for ` 2, 50,000 for constructing a building . The following is the information. (10)

Particulars	Amount
Materials sent to site	84,786
Labour engaged on site	74,152
Plant installed at site at cost	15,000
Direct Expenditure	3,201
Other charges	4,878
Materials returned to stores	552
Works certified	1,95,000
Value of plant as on 31 <sup>st</sup> December, 2017	11,000
Cost of work not yet certified	4,500
Materials at site 31 <sup>st</sup> December 2016	1,880
Wages Accrued 31 <sup>st</sup> December 2016	2,400
Direct expenditure accrued 31 <sup>st</sup> December, 2016	240
Cash received from contractee	1,80,000

Prepare a contract account for the year ended 31<sup>st</sup> December, 2018 from the following particulars:

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