

**Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce &
Economics Ponda – Goa**

**B.C.A. (SEMESTER II) EXAMINATION, APRIL 2012
COST ACCOUNTING**

Duration: 2 Hrs.

Marks: 50

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

Q.1.A) Match the following: (5)

Column A

1. Payroll Department
2. Specific order costing
3. Simple average method
4. Abnormal loss
5. High day rate

Column B

- (a) Remuneration method
- (b) Controllable
- (c) Uncontrollable
- (d) Job costing
- (e) Inventory valuation
- (f) Wage sheet

Q.1.B) Answer in one line. (5)

1. What is EOQ?
2. Define Budgetary control.
3. What do you understand by process costing?
4. What is idle time?
5. What is standard costing?

Q.2.A) The following cost data is extracted from the books of "M/s. Aditya Industries Ltd." for the year ended December 2011. (10)

| | |
|--------------------------------|----------|
| Sales for the year 2011 | 8,50,000 |
| Indirect wages | 9,100 |
| Selling expenses | 7,700 |
| Opening stock of raw materials | 4,70,900 |
| General expenses | 5,000 |
| Purchases | 1,75,200 |
| Factory cleaning | 4,020 |
| Printing & Stationery | 3,700 |
| Closing stock of raw materials | 2,85,100 |
| Income Tax | 10,000 |

| | |
|----------------------------------|--------|
| Packing charges | 5,200 |
| Carriage inward | 3,700 |
| Depreciation on Office Furniture | 20,000 |
| Depreciation on Plant | 95,000 |
| Delivery van charges | 4,800 |
| Salesmen's Salary | 7,000 |
| Rent & Rates (Office) | 8,500 |
| Direct Wages | 65,000 |
| Advertising | 5,200 |
| Postage & Telegrams | 1,900 |

You are required to prepare a statement of cost for the year ended 31st December, 2011.

OR

B. i) Explain the following

a) Fixed cost and semi-variable cost (2½)

b) Cost sheet (2½)

(ii) Explain different types of cost concepts. (5)

Q.3.A) Following is the record of receipts & issues of materials in factory during a month. (10)

March 2011

| | |
|----|---|
| 1 | Opening balance 50 tonnes @ ₹ 10 per ton. |
| 2 | Issued 30 tonnes |
| 3 | Received 60 tonnes @ ₹ 10.20 per ton. |
| 4 | Issued 25 tonnes |
| 5 | Stock verifications reveal a loss of 1 ton. |
| 8 | Received back from order 10 tonnes (previously issued at ₹ 9.15 per ton). |
| 14 | Issued 40 tonnes. |
| 20 | Received 22 tonnes @ ₹ 10.30 per ton. |
| 28 | Issued 36 tonnes. |

Calculate the values of inventories using FIFO method of inventory valuation.

OR

B.a) From the following particulars calculate (5)

1. Reorder level
2. Minimum level
3. Maximum level
4. Danger level

Normal usage 100 units per day.
 Minimum usage 60 units per day.
 Maximum usage 130 units per day.
 Economic Reorder quantity 5000 units.
 Reorder period 25 to 30 days.
 Maximum lead time for emergency purchase 5 days.

b) Explain the following:

- i) Stores Ledger (2 ½)
 ii) Stores requisition note (2 ½)

Q. 4. A) From the following information given below calculate the earnings of each employee as under: (10)

1. Halsey Premium Bonus Scheme
2. Rowan Premium Bonus Scheme

| Employee | A | B |
|-----------------------------------|---------|---------|
| Time allowed – per hour 100 units | 35 hrs. | 40 hrs. |
| Hourly rate | ₹ 7 | ₹ 8 |
| Time taken | 50 hrs. | 48 hrs. |
| Actual units produced | 200 | 150 |

OR

Q. 4. B (i) Define Labour turnover. Explain the causes of labour turnover. (5)

(ii) Explain in brief the methods of time keeping. (5)

Q. 5. A) The following information is extracted from the books of M/s. Raj & Co. (10)

| | Process A | Process B |
|----------------------------|--------------|--------------|
| Material consumed | ₹ 15,000 | ₹ 9,000 |
| Direct labour | ₹ 17,000 | ₹ 11,000 |
| Manufacturing expenses | — | ₹ 5,000 |
| Inputs in process A | 13,000 units | — |
| Inputs in process A (cost) | ₹ 13,000 | — |
| Actual Output | 12,000 units | 11,000 units |
| Normal wastage | 5% | 10% |
| Value of normal wastage | ₹ 2 | ₹ 3 |

B) Prepare process accounts.

1. Reorder level
2. Minimum level
3. Maximum level
4. Danger level

Q. 5. B) M/s. S. K. Constructions is engaged on two contracts, contract A & contract B, during the year. Following particulars are obtained at the end of the year 2011. (10)

| | <u>Contract A</u> | <u>Contract B</u> |
|-------------------------|-------------------|-------------------|
| Date of commencement | Apr 1 | Sept 1 |
| Contract price | 10,00,000 | 7,00,000 |
| Materials issued | 1,80,000 | 75,000 |
| Materials on hand | 25,000 | 12,000 |
| Materials returned | 6,000 | 1,500 |
| Direct labour | 1,75,000 | 41,000 |
| Direct expenses | 60,000 | 32,000 |
| Establishment expenses | 24,000 | 9,000 |
| Plant installed | 80,000 | 70,000 |
| Value of plant (Dec 31) | 65,000 | 64,000 |
| Work uncertified | 25,000 | 9,000 |
| Work certified | 4,66,000 | 1,32,000 |
| Cash received | 4,10,000 | 1,20,000 |
| Legal fees | 3,000 | 1,700 |

During the period material amounting to ₹ 10,000 has been transferred from Contract A to Contract B. Prepare Contract account for the year ended 31st December, 2011 and also prepare Contractee's Account.

XXXXXXXXXXXX

| | |
|--------------------------|--------------------------|
| Factory process accounts | |
| Value of normal wastage | ₹ 2 |
| Normal wastage | ₹ 2 |
| Actual Output (09.12.11) | ₹ 13,000 |
| Inputs in process (cost) | ₹ 13,000 |
| Inputs in process A2 | 13,000 units transferred |
| Manufacturing expenses | ₹ 17,000 |
| Direct labour | ₹ 11,000 |
| Material consumed | ₹ 12,000 |