Goa Vidyaprasarak Mandal's

GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND ECONOMICS

PONDA – GOA

B.C.A. (SEMESTER – II) EXAMINATION, MARCH/APRIL 2014

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	Column B
1) VED	a) Incremental costing
2) Contract Costing	b) Material control Technique
3) Remuneration method	c) Process Costing
4) Marginal Costing	d) Centralised control
5) Budgetary Control	e) Civil Engineering firm
	f) Flat time rate

B) Answer in one line: (5)
1) Define the JIT Technique of inventory control.
2) What do you understand by direct labour?
3) Define abnormal gain.
4) What is specific order costing?
5) Define Breakeven point.

Q. 2 A) Following are the accounts of "Artistic Manufacturing Ltd." for the year ended 31st December, 2013. (10)

Particulars	Amount	Particulars	Amount
Opening Stock of materials	67,200	Carriage outward	2,100
Materials purchased	2,59,000	Tax on income	5,700
Office Salaries	9,100	Carriage inward	1,200
Factory Supervision	4,500	Depreciation on factory machinery	3,900
Travelers' Salaries & Commission	8,500	Gas Water (Office)	700
Dividend	10,500	Rent Rates Insurance (Factory)	560
Depreciation on office furniture	5,500	General Expenses	12,500

Factory cleaning	900	Direct wages	7,800
(Factory) Gas Water Grease	1,100	Cash discount allowed	2,300
Direct Expenses	450	Motive power	5,000
Managers salary	24,000	Indirect wages	4,050
Delivery van Expenses	5,500	Stock at the end	90,000

Manager's salary – 2/3rd for factory and 1/3rd for office. Profit to be calculated @20% on selling price. You are requested to prepare cost sheet for the year ended 31/12/2013.

OR

Q. 2 B i) What is cost Accounting? What are its objectives? (5)

B ii) Explain the following :

(a) Cost on the basis of Behavior (2½)

(b) Element of cost (2½)

Q. 3 A) The following is a history of the receipts & issues of materials in a factory during February 2013. (10)

February 1/13 Opening balance	500 Quintals @ ₹ 25
February 3/13 Issue	70 Quintals
February 4/13 Issue	100 Quintals
February 8/13 Issue	80 Quintals
February 13/13 Received from vendor	200 Quintals @ ₹ 24.5
February 14/13 Refund of surplus from a work order	15 Quintals @ ₹ 24
February 16/13 Issue	180 Quintals
February 20/13 Received from vendor	240 Quintals @ ₹ 24.38
February 24/13 Issue	304 Quintals
February 25/13 Received from vendor	320 Quintals @ ₹ 24.32
February 26/13 Issue	112 Quintals

Issues are to be priced on the principles of Simple average method.

You are required to write the complete stores Ledger Account in respect of the above materials. (10)

OR

Q. 3 B i) Explain the following.

a) EOQ (2 ½)

b) FIFO (2 ½)

Q.3 B ii) In a company weekly minimum and maximum consumption of material A are 25 & 75 units respectively. The reorder quantity as fixed by the company is 300 units. The material is received within 4-6 weeks from issue of supply order. (5)

Calculate:-

1) Maximum level
2) Minimum level
3) Re-order level

Q. 4 A i) A firm employs 5 workers at an hourly rate of ₹ 2. They have worked for a total period of 40 hours each and completed a job for which standard time was 48 hours for each worker. Calculate the labour cost under Halsey Premium Plan & Rowan Plan. (6)

Q. 4 A ii) Explain the functions of pay roll department. (4)

OR

Q. 4 B i) Calculate the earnings of worker Ram and Sham under Straight Piece Rate System and Taylors Differential Piece Rate System. (8)

Normal rate / hr = 1.80

Standard time / unit = 20 seconds

Differential applied = 80% piece rate below standard

= 120% piece rate above standard

Ram produces = 1300 units / day

Sham produces = 1500 units / day

Q. 4 B ii) What do you understand by overtime and idle time? (2)

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 2013. (10)

Items	Total	Process I	Process II	Process III
Direct material	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 to process I. There was no stock of material or work in progress at the beginning or end of the period.

The output of each process passes directly to the next process and finally to finished stock. Production overhead is recovered on 100 percent of 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	4	5

Prepare process cost accounts. (10)

OR

Q. 5 B) The Hindustan Construction Co. Ltd. have undertaken the construction of a bridge over a river Yamuna for a Municipal Corporation. The value of the contract is ₹ 12,50,000/- subject to a retention of 20% until 1 year after the certified completion of the contract and the final approval of the Corporations engineer. The following are the details as shown in book as on 30th June, 2013.(10)

Labour on site	4,05,000
Material direct to site less returns	4,20,000
Material from stores	81,200
Hire and use of plan	12,100
Direct expenses	23,000
General overhead allocated to contract	37,100
Material in hand on June 30, 2013	6,300
Wages accrued on June 30, 2013	7,800
Direct expenses accrued on June 30, 2013	1,600
Work not yet certified at cost	16,500
Amount certified by the Corporation engineer	11,00,000
Cash received on account	8,80,000

Prepare contract account and contractors account & show how relevant items would appear in the balance sheet.

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