

Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND
ECONOMICS, PONDA – GOA
B.C.A. (SEMESTER – II) EXAMINATION, APRIL 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 fixed cost.
 - 2) What is works cost?
 - 3) What do you understand by process costing?
 - 4) What is abnormal loss?
 - 5) Define marginal cost.

- Q.2 A) The following information is obtained from the books of M/s Akash Industries Ltd for the year ended December 2015. (10)

Particulars	Amount (₹)
Motive power	45,000
Octroi duty	3,100
Factory cleaning	2,500
Dep on office furniture	7,500
Dep on plant	75,500
Opening stock of raw material	6,15,000
Direct wages	15,500
Packing charges	15,000
General expenses	20,000
Selling expenses	21,000
Purchases	2,75,000
Income tax	3,50,000
Manager's salary	74,000
Delivery van expenses	18,000
Printing and stationery	12,000
Carriage inward	2,500
Dividend paid	1,75,000
Indirect wages	17,700
Closing stock of raw material	4,50,000
Rent and rates-factory	10,500

You are required to draw a statement of cost for the year ended 31st Dec 2015.

Adjustments:

- a) Manager's salary to be apportioned equally to office and sales.
- b) Calculate profit @ 30% on total cost.

OR

- Q.2 B i) Explain the following.
- a) Elements of cost (2½)
 - b) Cost accounting (2½)
- ii) What do you understand by the statement of cost? What are its objectives? (5)

Q. 3 A) M/s Sulekha & Co/- provides you the following records of their receipts and issues of materials in the factory for the month of January 2016.

January 2016

2nd Opening stock 2500 units @ ` 5.50/-

4th Received 1790 units @ ` 5.60/-

6th Received 200 units @ ` 5.62/-

10th Issued 500 units.

12th Issued 350 units.

15th Received 750 units @ ` 5.66/-

20th Received 500 units @ ` 5.70/-

21st Issued 700 units.

22nd Received 250 units @ ` 5.80/-

27th Issued 2000 units.

You are required to calculate the values of inventories using LIFO method of inventory valuation. (10)

OR

Q. 3 B i) Explain in detail the material procurement procedure. (5)

ii) Gopal enterprises provides 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: (5)

Maximum stock level, Minimum stock level, Reorder level, Average stock level.

Q. 4 A i) A firm employs 10 workers at an hourly rate of ` 5/-. During the week they worked for 5 days for a total period of 40 hrs each and completed a job, for which standard time was 45 hrs for each worker.

Calculate their labour cost under Halsey scheme of 50% bonus and Rowan scheme. (6)

ii) Explain the following:

a) Direct and indirect labour (2)

b) Idle time and overtime (2)

OR

Q. 4 B i) From the following particulars calculate the earnings of worker P & worker Q under Taylor's differential piece rate system and straight piece rate system.

Normal rate per hour is ` 1.50/-

Standard time per piece – 25 seconds

Differential applied- 82% of piece rate below standard

125% of piece rate above standard

Worker P produces 900 units per day. (7)

Worker Q produces 1300 units per day.

Q. 4 B ii) Explain any three causes of labour turnover. (3)

Q. 5 A) A product passes through two distinct processes A & B and thereafter to finished stock. The output of A passes to B and that of B to finished

product. From the following information you are required to prepare the process accounts: (10)

	Process A (₹)	Process B (₹)
Material consumed	12,000	6,000
Direct labour	14,000	8,000
Manufacturing Expenses	4,000	4,000
Input in process A(units)	10,000	--
Input in process A (Value)	10,000	--
Output (units)	9,400	8,500
Normal wastage % of Input	5%	10%
Value of normal wastage (per 100 units)	8	10

OR

- Q. 5 B) Keshav constructions with a paid up capital of ₹ 50,00,000/- undertook a contract to construct a bridge. Contract work commenced on 1st January 2015 and the contract price was ₹ 50,00,000/-
Cash received on account of contract as on 31/12/2015 was ₹ 18,00,000/- (90% of work certified). Work completed but not certified estimated at ₹ 1,00,000/-. As on 31/12/2015 material at site was estimated at ₹ 30,000/-.
Plant and machinery at site to be depreciated at 5%.
Wages outstanding as on 31/12/2015 was ₹ 5,000/-.
Following are their ledger balances as per the trial balance as on 31/12/2015.

Particulars	Amount (₹)
Plant & machinery at cost (60% at site)	25,00,000
Land & building	15,00,000
Material sent to site	14,00,000
Fuel and power	1,25,000
Site expenses	5,000
Postage & telegrams	4,000
Office expenses	8,000
Rates & taxes	15,000
Cash at bank	1,33,000
Wages	2,50,000

Prepare contract account for the year ended 31/12/2015. (10)

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