

Goa Vidyaprasarak Mandal's
Gopal Govind Poy Raiturcar College of Commerce and Economics
Ponda-Goa

B.C.A (Semester - II) Examination, April 2017

COST ACCOUNTING

Duration: 2 hrs

Marks: 50

INSTRUCTIONS: 1) All questions are compulsory.

2) Figures to the right indicate marks.

Q1A) Answer the following. (10)

- 1) Distinction between financial accounting and cost accounting.
- 2) What is budgetary control?
- 3) Define variable cost.
- 4) What is Idle time?
- 5) What is Standard costing?

Q2A) The following information is obtained from the books of M/s Chowgule Limited for the year ended December 2016. (10)

Particulars	Amount(₹)
Opening stock of raw materials	78,000
Motive power	29,500
Depreciation on office furniture	18,000
Depreciation on factory building	45,000
Opening stock of finished goods	27,500
Octroi duty	1,250
Factory lightning	6,000
Direct wages	17,500
Closing stock of raw material	48,250
Carriage inward	7,500
Administration expenses	2,500
Closing stock of finished goods	16,000
Purchases	62,500
Gas, oil, water (factory)	3,000
Factory manager salary	20,000
Office manager salary	19,000
Selling overheads	1,500
Distribution	550

You are required to prepare a statement of cost for the year ended 31 March 2016,

Assuming the percentage of profit to be 20% on selling price.

OR

Q2BI) Explain the following.

- a) Limitations of financial accounting. (2 ½)
- b) Elements of cost (2 ½)

II) Explain in brief Classifications of cost. (5)

Q3A) Prepare a stores ledger account from the following details of M/S Timblo and limited company using LIFO method for the month of January 2017. (10)

January 2017

- 1st Opening balance 5425 kg at `130 per kg.
- 2nd Purchased 10,000 kg at `134 per kg
- 3rd Issued 3375kg to production.
- 4th Issued 4250kg to production
- 5th Received back 275 kg from production being surplus.
- 6th Purchased 8775 kg at `128 per kg
- 7th Issued 5625 kg to production
- 8th Physical verification revealed loss of 125 kg
- 9th Issued 4475kg to production
- 10th Issued 3150 kg to production
- 11th Purchased 5000 kg at `132 per kg
- 12th Issued 3875 kg to production

OR

Q3B1) Explain in detail weighted average method of pricing and also mention merits and demerits of this method. (5)

Q3B2) Harshala enterprises provides you the following information regarding their product for the year ended 31st December 2016. (5)

Two materials, 'A' and 'B' are used as follows:-

Minimum usage 25 units per week each.

Maximum usage 75 units per week each.

Normal usage 100 units per week each

Reorder quantity material A-300units

Reorder quantity material B-50 units

Reorder period material A- 2 to 3 weeks

Reorder period material B- 1 to 2 weeks

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

Q4AI) It takes a 9 years to complete a job under time rate system. But the same job requires only 6 hours for its completion under piece rate system. Assume daily wages at `1 per hour, cost of material at `4 and other general overheads at `150% of wages. (6)

Calculate the cost of production under

- a) Piece rate system
- b) Rowan Plan
- c) Halsey Plan

Q4AII) Explain the following.

- a) Time rate system (2)
- b) Job costing (2)

OR

Q4 B D) From the following particulars, calculate the earnings of different workers under Taylors Differential piece rate system. (7)

Standard time per unit 6 minutes

Normal rate Rs. 5 per hour.

Differential piece rate

80% of piece rate below the standard.

120% of piece rate at or above the standard.

In a day of 8 hours, the production by different workers is as under-

Rajesh - 35 units

Mangesh - 40 units

Dattaprasad – 45 units

Jitendra – 50 units

Q4B II) Explain any 3 measures to reduce labour turnover. (3)

Q5A) Product B is obtained after it passes through 3 distinct Process the following information is obtained from the accounts for the week ending 31st December 2015 (10)

Items	Process 1	Process 2	Process 3	Total
Direct materials	2600	1980	2962	7542
Direct wages	2000	3000	4000	9000
Production overhead	-	-	-	9000

1000 units at ` 3 each were introduced to process 1. There was no stock of materials or work in progress at the beginning or at the end of the period. The output of each process passes direct to the next process and finally to finished stock. Production overhead is recovered on 100% of direct wages.

The following additional data are obtained.

Process	Output during the week	Percentage of normal loss to input	Value of scrap per unit.
Process 1	950 units	5%	` 2
Process 2	840 units	10%	` 4
Process 3	750 units	15%	` 5

Prepare Process accounts. (10)

OR

Q5B) Satish Ltd undertook several contracts during the year 2016. The following information relates to his contract no. 200. (10)

Direct materials		10,125
Direct wages		7,750
Stores issued		5,250
Loose tools		1,200
other direct wages		1,325
<u>Tractor expenses</u>		
Running material	1150	
Wages of driver	<u>1500</u>	2,650

The contract took 13 weeks to complete. The value of loose tools and stores returned at the end of the period were `100 and `1500 respectively. The plant was also returned at a value of `8000 after charging depreciation at 20%. The value of tractor was `10,000 and the depreciation to be charged to the tractor was 15% per annum. The administration and office expenses are to be provided at 10% on works cost. Profits to be charged at 20% of total cost.

Prepare contract account assuming balance of the contract was duly received from contractee.