

**Goa Vidyaprasarak Mandal's  
GOPAL GOVIND POY RAITURCAR COLLEGE OF COMMERCE AND  
ECONOMICS, PONDA-GOA  
B.C.A (SEMESTER-II) EXAMINATION, APRIL 2018  
COST ACCOUNTING**

Duration: 2 Hrs

Marks: 50

*Instructions: 1) Use of calculator is allowed.  
2) Figures to the right indicate marks.*

Q.1.A) Answer the following.

- a) What is prime cost? (2x5)  
b) What is variable cost?  
c) What do you mean by normal loss?  
d) Define standard costing.  
e) Explain the concepts of work certified and work uncertified.

Q.2.A) "M/s JHA ENTERPRISES" furnishes you the following information for the year ended December 2017. (10)

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening stock (raw materials)	235000	Motive power	41000
Dep on factory machinery	52000	Other admin overheads	5200
Direct labour	81000	Purchases of raw materials	185500
General expenses	25000	Selling expenses 25% on factory cost	----
Carriage inward	6700	Dep on office machinery	17300
Rent rates –office	15000	Factory cleaning	10500
Gas, oil, fuel	11200	Closing stock of raw material	95000

You are required to prepare a cost statement as on 31/12/2017. The profit is to be calculated @ 25% on selling price.

OR

- Q.2.B.i) What do you mean by cost accounting? (2)  
ii) Explain in detail the difference between financial accounting and cost accounting. (5)  
iii) Write a detailed note on elements of cost. (3)

Q.3.A) From the following details of stores receipts and issues of material "EXE" in a manufacturing unit, prepare the stores ledger using weighted average method of valuing the issues. (10)

- Jan. 1. Opening stock 2000 units @ ₹ 5 each.  
" 3. Issued 1500 units  
" 4. Received 4500 units @ ₹ 6 each.  
" 8. Issued 1600 units

Jan 9. Returned to stores 100 units by production department (from the issue of Jan 3)

- ” 16. Received 2400 units @ ₹ 6.50 each.
- ” 19. Returned to supplier 200 units out of the quantity received on Jan 4.
- ” 20. Received 1000 units @ ₹ 7 each.
- ” 24. Issued to production 2100 units.
- ” 27. Received 1200 units @ ₹ 7.50 each.
- ” 29. Issued to production 2800 units.

(use rates upto two decimal places)

**OR**

**Q.3.B.i)** Two materials X and Y are used as follows: (6)

- Minimum usage --- 50 units per week each;
- Maximum usage ---150 units per week each;
- Normal usage ----100 units per week each;
- Ordering quantity: X --- 600 units and Y ---1000 units
- Delievery period: X --- 4 to 6 Weeks
- Y --- 2 to 4 weeks.

Calculate for each material : a) Minimum level b) Maximum level and c) Ordering level.

**B.ii)** Explain Fifo method of inventory valuation and also mention its advantages and disadvantages. (4)

**Q.4.A.i)** Standard time allowed for job is 15Hrs, rate per Hr is ₹80 plus dearness allowance @ ₹ 4 per Hr. the actual time taken by worker is 10 Hrs. Calculate the earnings under (7)

- a) Straight time rate system
- b) Halsey Premium Plan
- c) Halsey weir plan
- d) Rowan Plan.

**ii)** Distinguish between time rate system and piece rate system. (3)

**OR**

**Q.4.B.i)** The following information relates to worker Ram and worker Sham. (7)

- Normal rate per hour is ₹ 1.80/-
- Standard time per piece – 20 seconds
- Differential applied- 80% of piece rate below standard
- 120% of piece rate at or above standard.

Worker Ram produces 1300 units per day.

Worker Sham produces 1500 units per day.

You are required to calculate the earnings of worker ram and worker Sham under straight piece rate system and Tailor’s differential piece-rate system.

**Q. 4 B. ii)** Define labour turnover and explain any three causes of labour turnover. (3)

**Q.5.A)** In manufacturing the main product “k” the raw material has to pass through two distinct processes namely process X and process Y and after process Y it directly passes to the finished stock account. (10)

Following are the details:

	Process X (₹)	Process Y (₹)
Material consumed	15000	9000
Direct labour	15000	9000
Manufacturing expenses	4500	4500
Inputs in process X (units)	12000	-----
Input in process X (value)	12000	-----
Output (units)	10800	11000
Normal loss %	10%	5%
Value of normal wastage	₹ 2	₹ 3

You are required to prepare process accounts and show all the working notes.

**OR**

**Q.5.B)** “Bhumi constructions” has undertaken a contract of construction of a building. The value of contract is ₹ 1600000, subject to a retention of 20% until one year after certified completion of contract. The following are the details as shown in the book as on 31/12/2017. (10)

	Amount (₹)
Labour on site	405000
Material direct to site less returns	420000
Hire and use of plant	12100
Materials from stores	81200
Direct Expenses	23000
General overheads of contract	37100
Material on hand as 31/12/2017	6300
Wages accrued as on 31/12/2017	7800
Direct expenses accrued as on 31/12/2017	1600
Work not certified	16500
Amount certified by engineers	1100000
Cash received	880000

Prepare contract account for the year ended 31/12/2017.

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