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Goa Vidyaprasarak Mandal's
GOPAL GOVIND POY RAITURKAR COLLEGE OF COMMERCE AND
ECONOMICS
PONDA – GOA

B.C.A. (SEMESTER – II) EXAMINATION, MARCH/APRIL 2015
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) Normal wastage
- 2) Production cause
- 3) Quantitative statement
- 4) Terminal costing
- 5) Rent

Column B

- a) Civil engineering firm
- b) Loss due to obsolescence
- c) Fixed cost
- d) Standard cost
- e) Waiting for materials
- f) Budget

B) Answer in one line (5)

- 1) Define Cost accounting.
- 2) What is prime cost?
- 3) What do you understand by terminal costing?
- 4) What is abnormal gain?
- 5) Define margin of safety.

Q. 2. A) Following is the information obtained from the books of “Ahuja & Company Ltd.” for the year ended December 2014.

(10)

Particulars	Amount `	Particulars	Amount `
Salesman's salary	4000	Opening stock of work in progress	45000
Manager's salary	15000	Packing charges	6600
Direct expenses	14200	Purchases of materials	16600
Closing stock of work in progress	20000	Closing stock of finished goods	7000
Income tax	12900	Factory supervisor's salary	5400
Motive power	7000	Carriage inward	2500
Opening stock of finished goods	15000	Gas and water (factory)	3900
Opening stock of raw materials	159900	Other factory expenses	2200
Carriage outward	4500	Depreciation on factory machinery	5400
Direct wages	8900	Closing stock of raw materials	69000

Office overheads to be calculated at 80% of works cost.

Manager's salary is to be apportioned on equal basis to factory and sales.

You are required to prepare a statement of cost for the year ended December 2014, assuming that the % of profit is 25% on selling price.

OR

Q. 2. B i) Distinguish between cost accounting and financial accounting.

(5)

ii) Explain any five types of cost concepts.

(5)

Q. 3. A) The stores ledger account of material alpha in the books of chemical producer ltd revealed the following transactions for the month of November 2014. (10)

1 st Nov	Opening stock 200 kg @ `7.50 per kg
5 th Nov	Received from supplier 400 kg @ ` 7.75 per kg
8 th Nov	Issued to production department 240 kg
10 th Nov	Issued to production department 160 kg
12 th Nov	Received from supplier 500 kg @ ` 7.90 per kg
15 th Nov	Issued to production department 400 kg
16 th Nov	Received from supplier 250 kg @ ` 8.00 per kg
19 th Nov	Received from supplier 600 kg @ ` 8.25 per kg
21 st Nov	Issued to production department 350 kg
24 th Nov	Issued to production department 260 kg
27 th Nov	Issued to production department 340 kg

You are required to price the issues and draw out the closing balances in the stores ledger account under FIFO method of inventory valuation.

OR

Q. 3. B i) Explain the following.

a) LIFO method of inventory valuation.

(2 ½)

b) Stock levels

(2 ½)

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B ii) Sriram enterprises manufactures a special product “ZED”. The following particulars were collected for the year 31st March 2015.

a) Monthly demand for ZED: 1000 units

b) Cost of placing an order: `100

(5)

c) Annual carrying cost per unit: ` 15

d) Normal usage: 50 units per week

e) Minimum usage: 25 units per week

f) Maximum usage: 75 units per week

g) Re-order period : 4-6 weeks.

Calculate:-

1) Re-order quantity

2) Re-order level

3) Maximum level

- 4) Minimum level
- 5) Average stock level.

- Q. 4. A i) Calculate the total earnings and the rate earned per hour of three workmen, under the halsey and rowan plan, the bonus under the halsey plan is 50% of time saved.
Standard time 24 hrs, (6)
Halsey rate of wages per hr `4.00
Time taken by workman A: 22hrs
Time taken by workman B: 20 hrs
Time taken by workman C: 12 hrs
- A ii) Explain the following: (2)
a) Time rate system (2)
b) Taylor's piece rate system (2)

OR

- Q. 4. B i) On the basis of following information, you are required to calculate the earnings of worker ricky and worker micky under the straight piece rate system and taylor's differential piece rate system.
Standard production: 10 units per hour
Normal time rate: `5per hour
Differential piece rate to be applied: (8)
80% of piece rate for below standard performance
120% of piece rate for at or above the standard performance
Actual performance: Ricky produced 80 units in a day of 10 hrs.
Micky produced 110 units in a day of 10 hrs.
- Q. 4. B ii) Define labour turnover. Explain any three causes behind labour turnover. (2)

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- Q. 5. A) The product of a manufacturing concern passes through two processes A & B and then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrapped which from process A and B realises at ` 80 per tonne & ` 200 per tonne respectively.

The following are the figures relating to both the processes :-

	Process A	Process B
Material (in tonnes)	1000	70
Cost of material (in ` per tonne)	125	200
Wages (in `)	28000	10000
Manufacturing Expenses (in `)	8000	5250
Output (in tonnes)	830	780

Prepare process cost accounts. Showing cost per tonne of each process. There was no stock or work in progress in any process.

(10)

OR

- Q. 5. B) J&K construction is engaged on two contracts A & B respectively. During the year following particulars are obtained at the end of the year.

Particulars	Contract A (`)	Contract B (`)
Date of commencement	April 1st	September 1 st
Contract price	600000	500000
Material issued	160000	60000
Material returned	4000	2000
Material on site	22000	8000
Direct labour	150000	42000
Direct expenses	66000	35000
Establishment expenses	25000	7000
Plant installed at cost	80000	70000
Value of plant (Dec 31st)	65000	64000
Cost of contract not yet certified	23000	10000
Value of contract certified	420000	135000
Cash received from construction	378000	125000
Architect fees	2000	1000

During the period materials amounting to ` 9000 were transferred from contract A to contract B.

You are require to show contract A & contract B account for the year ended 31st December 2014. (10)
