

B.Com IV Semester (CBCS)
Cost Accounting (CC)
(Code : 52414404)

पूर्णांक : 100
M.M. : 100

*Attempt any two questions in all.
All questions carry equal marks.*

किन्हीं दो प्रश्नों के उत्तर दो।
सभी प्रश्नों के अंक समान हैं।

(Write your Name and Roll No. on each page of your answer sheet.)
(अपनी उत्तर पुस्तिका के प्रत्येक पृष्ठ पर अपना नाम और रोल नंबर लिखें।)

- 1(a) “Limitations of financial accounting have made management to realize the importance of cost accounting.” Comment.
- 1(b) Explain the concept of “ABC Analysis” as a technique of inventory control.
- 1(c) The following information is available in respect of material number 30:
- | | |
|---------------------|--------------------|
| Reorder Quantity | 1,500 units |
| Reorder Period | 4 to 6 weeks |
| Maximum Consumption | 400 units per week |
| Normal Consumption | 300 units per week |
| Minimum Consumption | 250 units per week |
- Calculate: (i) Reorder Level (ii) Maximum Level (iii) Minimum Level (iv) Average Stock Level.
- 1(d) From the following information, calculate EOQ and number of orders to be placed in one quarter of the year for product X:
- | | |
|---------------------------------------|--------------------------|
| (i) Quarterly consumption of material | 2,000 kg |
| (ii) Cost of placing one order | Rs. 50 |
| (iii) Cost per unit | Rs. 40 |
| (iv) Storage and carrying cost | 80% on average inventory |
- 2(a) What is idle time? Explain the causes leading to idle time and its treatment in cost accounting.
- 2(b) The following information relates to the personnel department of a factory for the month of April 2020:
- | | |
|----------------------------------------------------------------------------------------|------|
| Number of workers on April 1, 2020 | 950 |
| Number of workers on April 30, 2020 | 1050 |
| Number of workers who quit the factory in April, 2020 | 10 |
| Number of workers discharged in April 2020 | 30 |
| Number of workers engaged in April 2020 (including 120 on account of expansion scheme) | 140 |
- Calculate the labour turnover rate under the different methods.

Assignment

2(c) Distinguish between allocation and apportionment of overheads.

2(d) A company has 3 Production Departments A, B and C and 2 Service Departments X and Y. The following information is available regarding various expenses:

Power	Rs. 2,400
Rent	Rs. 4,200
Canteen	Rs. 3,000
Insurance	Rs. 2,200
Depreciation	Rs. 20,000
Personnel Department	Rs. 4,000
Maintenance of Assets	Rs. 2,400

The following additional information is also given:

Items	Production Department			Service Department	
	A	B	C	X	Y
Area (sq. metres)	400	400	300	200	100
Kilowatt hours	2,000	2,200	800	750	250
Number of workers	90	120	30	40	20
Capital value of assets (in '000 of Rs.)	50	60	40	30	20
Direct material cost (Rs.)	5,000	3,000	2,000	1,000	1,000

The expenses of department X and Y will be apportioned among production departments in the ratio of 5:3:2 and 20%, 30% and 50% respectively. Prepare Overheads Distribution Summary.

3(a) A product passes through three distinct processes A, B and C.

The following information is given:

	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Material (input 2,000 units)	10,000	----	----
Labour	5,000	15,000	10,000
Direct Expenses	4,680	2,640	3,600
Normal Wastage (% of Input)	2%	10%	10%
Realizable Value of Wastage Per Unit	2	10	10
Output (Units)	1,960	1,700	1,550

Prepare: Process Accounts, Normal Loss Account, Abnormal Loss Account and Abnormal Gain Account.

3(b) The ABC Ltd. Has undertaken the construction of a bridge over the River Yamuna for a Corporation. The value of the Contract is Rs. 15,00,000 subject to retention of 20% until one year after certified completion of the contract and final approval of the Corporation's Engineer.

Assignment

The following are the details as shown in the books on December 31, 2020:

	Rs.
Labour on site	4,05,000
Materials purchased	4,20,000
Materials sent from stores	81,200
Plant	12,100
Direct expenses	23,000
General overheads allocated to the contract	37,100
Materials on hand on December 31, 2020	6,300
Wages accrued on December 31, 2020	7,800
Direct expenses accrued on December 31, 2020	1,600
Work not yet certified at cost	16,500
Amount certified by the Corporation's Engineer	11,00,000
Cash received on account	8,80,000

Prepare: (a) Contract Account (b) Contractee's Account and (c) Show how it would appear in the Balance Sheet?

- 4(a) The following information has been taken from the costing records of a company in respect of job number 123:

Materials Rs. 4,010

Wages:

Department A: 60 hours @ Rs. 3 per hour

Department B: 40 hours @ Rs. 2 per hour

Department C: 20 hours @ Rs. 5 per hour

Overheads for the three departments are estimated as follows:

Variable Overheads

Department A: Rs. 5,000 for 5,000 hours

Department B: Rs. 3,000 for 1,500 hours

Department C: Rs. 2,000 for 500 hours

Fixed Overheads: Rs. 14,000 for 7,000 hours

You are required to calculate the cost of job number 123 and also calculate the price to be charged so as to yield a profit of 25% on the selling price.

- 4(b) The following figures are given:

	(Rs.)
Sales (25,000 units)	65,00,000
Materials	25,00,000
Wages	15,00,000
Factory overheads	10,00,000
Office & Administration overheads	5,50,000
Selling & Distribution overheads	3,00,000
Closing stock of finished goods (1,200 units)	2,20,000
Closing stock of WIP	1,40,000
Goodwill w/o	3,30,000
Income Tax paid	50,000

Assignment

Cost account manual states that the factory overheads are to be recovered at 100% of Labour. Administration overheads at 10% of works cost and selling & distribution overheads @ Rs. 10 per unit sold.

Prepare Statement of Reconciliation, Cost Sheet and Profit & Loss A/c.

4(c) Explain the advantages of integrated accounts.