

**B.Com(Hons.) IV Semester (CBCS)
Cost Accounting (CC)
(Code : 22411401)**

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।)

- Q.1. (a) “Costs can be classified in a variety of ways according to their nature and the information needs of management.” Explain and discuss this statement giving examples of the classifications required for different purposes.
- (b) A.S. Ltd. produces a product ‘Red’ using two components X and Y. Each unit of ‘Red’ requires 0.4 kg of X and 0.6 kg of Y. Weekly production varies from 350 units to 450 units averaging 400 units. Delivery period for both the components is 1 to 3 weeks. The economic order quantity for X is 600 kg and for Y is 1000 kg. Calculate:
- (i) Re-order level of X;
(ii) Maximum level of X;
(iii) Minimum level of Y.
- (c) From the following information, calculate economic order quantity and the 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 |
- Q.2 (a) What is labour turnover? Explain the causes of labour turnover and the methods of measuring it.
- (b) Explain activity based costing. How is it different from traditional method of overhead costing?
- (c) A cost centre in a factory furnishes the following working conditions:
- | | |
|---------------------|----------|
| Normal working week | 40 hours |
| Number of machines | 15 |

Assignment

Number of weekly loss of hours on maintenance etc.	4 hrs. per machine
Estimated annual overheads	Rs. 1,55,520
Estimated direct wages rate	Rs. 3 per hour
Number of weeks worked per year	48
Actual results in respect of a 4-week period are:	
Overheads incurred	Rs. 15,000
Wages incurred	Rs. 7,000
Machine hours produced	2,200 hrs.

You are required to:

- (i) Calculate the overhead rate per machine hour and
- (ii) Calculate the amount of under or over-absorption of both wages and overheads.

- Q.3. (a) Explain the ABC system of inventory control.
- (b) Differentiate between job costing and process costing.
- (c) A product passes through two processes A and B. Normal loss in process A is 10% of the input and in process B 7.5% of the input. The scrap value in the process A is 5 paise per unit and in process B it is 10 paise per unit. Other information is as follows:

	Process A (Rs.)	Process B (Rs.)
Materials	5,000	2,500
Wages	5,500	3,000
Other Expenses	2,550	1,073

10,000 units were introduced into process A at a cost of Rs. 5,000

The outputs were: Process A–8,400 units, B–7,300 units

Prepare Process cost accounts.

- Q.4 (a) Describe the role of the cost accountant in a manufacturing organization.
- (b) Why are cost and financial accounts reconciled? Explain the reasons for the difference between costing and financial profit or loss.

Assignment

- (c) Mr. Ahuja runs a tempo service in Delhi. He furnishes the following particulars of his vehicle A:

	Rs.
Cost of vehicle	25,000
Road License fee per year	750
Supervisor's salary per year	1,800
Driver's wages per hour	4
Cost of fuel per liter	1.50
Repair per km	1.50
Garage rent per annum	1,600
Insurance premium per annum	850
Kilometres run per litre	6
Kilometres run during the year	15,000 miles
Estimated life of vehicle	1,00,000 miles

Charge interest @ 10% per annum on the cost of the vehicle. The vehicle runs 20 kilometres per hour on an average.

You are required to calculate cost per running kilometre.