

Total No. of Printed Pages:3

T. Y. B.Com. (CBCS) (Semester-V)
EXAMINATION NOVEMBER 2022
Cost Accounting -II

[Duration : 2 Hours]

[Total Marks : 80]

Instructions:

- 1) Question No. 1 is **compulsory**.
- 2) Answer **any 3** questions from Q. No. 2 to Q. No. 6.
- 3) Give working notes **wherever** necessary.
- 4) **All** questions carry **equal** marks.

Q.1 Modern Manufactures Ltd. have three production departments 'X', 'Y' and 'Z' and two service departments 'P' and 'Q', the details pertaining to which are as under:

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Particulars	Production Departments			Service Departments	
	'X'	'Y'	'Z'	'P'	'Q'
Direct Wages (Rs.)	6,000	4,000	6,000	3,000	390
Value of machines (Rs.)	1,20,000	1,60,000	2,00,000	10,000	10,000
Horse Power of machines (kwh)	120	60	100	20	-
Light Points (numbers)	20	30	40	20	10
Area (sq. ft.)	4,000	5,000	6,000	4,000	1,000

The following figures extracted from the accounting records are relevant:

	Rs.
Rent and Rates	10,000
General Lighting	1,200
Indirect wages	3,878
Power	3,000
Depreciation on Machines	20,000
Sundries	19,390

You are required to prepare:

- i) a primary distribution summary showing distribution of overheads to various departments.
- ii) a statement showing re-distribution of service departments' expenses to production departments. Apportion the expenses of service department 'P' in the ratio of 5:4:1 and those of service department 'Q' in the ratio of 2:3:5 to production departments 'X', 'Y' and 'Z' respectively.

Q.2 From the following particulars you are required to calculate the earnings of a worker for a week under 20

- (i) Straight Piece Rate System
- (ii) Taylor's Differential Piece Rate System
- (iii) Halsey's Premium Plan
- (iv) Rowan's Premium Plan

Number of working hours per week	48 hours
Wages Per Hour	Rs 3.75
Rate Per Piece	Rs 1.50
Normal time taken per piece	20 minutes
Normal output per week	120 pieces
Actual output per week	150 pieces
Differential piece rates	80% of piece rate when output below normal production and 120% of piece rate when output above the normal production.

Q.3 a) The following annual charges are incurred in respect of a machine in a shop where manual labour is almost nil and where work is done by means of five machines of exactly similar type of specification. 12

	Rs.
i) Rent and Rates (proportional to the floor space occupied) for the shop	4,800
ii) Depreciation on each machine	500
iii) Repairs and maintenance for five machines	1,000
iv) Electric charges for light in the shop	540
v) Sundry supplies such as lubricants, jute, cotton waste, etc. for the shop	450
vi) Attendants:	

There are two attendants for the five machines and they are each paid Rs. 60/- per month.

vii) Supervision:

For the five machines in the shop, there is one supervisor whose emoluments are Rs. 250/- per month.

viii) Power consumed - Rs 0.05 per unit. The machine uses 10 units of power per hour.

ix) Annual working hours per machine - 1,200 hours.

b) The following is the budget of Angel Engineering Works for the year 2018. 08

Factory overheads	Rs. 58,000
Direct Labour cost	Rs. 97,800
Direct Labour Hours	1,34,000 hours

From the above figures calculate:

- (i) Overhead absorption rates using Direct Labour Hour Method and Direct Labour Cost Method.
- (ii) Prepare a comparative statement of cost showing the result of application of each of the above rates to job no. 667 from the under mentioned data:
- | | |
|----------------------|----------|
| Direct Material cost | Rs. 100 |
| Direct Labour cost | Rs. 70 |
| Direct Labour hours | 30 hours |

Q.4 a) What is Labour Turnover? Enumerate the causes and effects of labour turnover. 10

b) The following particulars of M/s Ruchi & Co. relate to the year ending 31st March, 2018. 10

	Amount (Rs.)
Basic Wages	50,000
House Rent Allowance	6,500
Overtime Allowance	7,200
Night Shift Allowance	9,600
Provident Fund deposited for the period	12,000
Employees' State Insurance Contribution for the period	2,808
Recovery towards House Rent	10,200
Recovery towards supply of goods	16,000

- (i) Dearness Allowance - 50% of basic wages.
- (ii) Provident Fund is paid for by the employer and the employee in equal share
- (iii) The ratio of contribution by employer and employee to Employee State Insurance is 7:5.

Determine the net amount of wages paid in cash to employees for the year ending 31st March, 2018.

Q.5 a) What is time rate system? Explain its advantages and limitations. 10

b) What are overheads? Explain the different types of overhead costs. 10

Q.6 Write short notes on the following (any four): 20

- a) Objectives of Time booking.
- b) Treatment of idle time in cost accounts.
- c) Distinguish between cost allocation and cost apportionment.
- d) Advantages of departmentalization of overhead expenses.
- e) Accounting for under-absorption and over-absorption of overheads.