

Vidya Vikas Mandal's
 Shree Damodar College of Commerce & Economics, Margao-Goa
 TY B.Com.(CBCS), Semester-V, Semester End Examination November 2023
 Cost Accounting- DSE-2
 Cost Accounting -II(UCOD106)

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 Zuari Ltd has three production departments A,B,C and two service departments D and E. The company supplied the following information regarding overheads incurred: **20**

Particulars	₹
Rent	5,000
Power	4,000
Electricity	2,000
Indirect material (stores)	1,500
Depreciation	5,000
Welfare expenses	1,300

Further information:

Particulars	A	B	C	D	E
Direct wages	4,000	5,000	3,000	-	-
Number of requisitions	5,000	6,000	4,000	-	-
Area (sq. ft.)	1,100	1,300	1,200	500	900
Number of workers	50	10	40	10	20
Number of light points	8	12	10	4	6
Horse power of machines	5	10	10	6	9
Value of machines	15,000	30,000	22,500	-	7,500

Expenses of Service departments D and E are apportioned as under:

Particulars	Production Departments			Service Departments	
	A	B	C	D	E
Service department D	20%	40%	30%	-	10%
Service department E	30%	20%	30%	20%	-

You are required to prepare: a) Primary Overhead Distribution Summary b) Secondary Distribution Summary by Repeated Distribution method

Q 2. a) From the following, you are required to work out the earnings of a worker under Halsey Premium Plan and Rowan Premium Plan: : 10

Time taken to complete job	144 hours
Time allowed to complete job	180 hours
Per hour rate of wages	₹ 20

b) On the basis of the following information, calculate the earnings of Nilesh and Rajesh on: 10

i) Straight Piece Rate basis

ii) Taylor's Differential Piece Rate system

Standard production	:	100 units per hour
Normal time rate	:	₹ 10 per hour
Differential to be applied	:	80% of Piece rate below standard 120% of Piece rate at or above standard

In a 8 hours day, Nilesh produces 750 units and Rajesh produces 950 units.

Q 3. a) Calculate the Machine Hour Rate from the following information: 10

Purchase price of machine	₹ 5,00,000
Installation charges	₹ 40,000
Rent per quarter	₹ 20,000
General lighting for the total area per month	₹ 3,000
Insurance premium for a machine (per annum)	₹ 6,000
Foreman's salary (per annum)	₹ 2,40,000
Estimated repairs of machine (per annum)	₹ 20,000
Power (2 units per hour)	@ ₹ 500 per 1,000 units

Estimated life of machine is 10 years and estimated value at the end of 10th year is ₹ 1,00,000.

The machine is expected to run 2,000 hours per year. The machine occupies 1/4th of the total area. The foreman devotes 1/4th of his time in managing machines.

b) The Production Department of a factory furnishes the following information: 10

Factory overheads	₹ 62,000
Direct Labour Cost	₹ 1,00,000
Direct Labour Hours	1,55,000
Machine Hours	50,000
Direct Material Cost	₹ 2,00,000

The following details are available for Job 195:

Direct Material Cost	₹ 4,500
Direct Labour Cost	₹ 5,000
Direct Labour Hours	4,000
Machine Hours	3,000

You are required to workout overhead application rates and ascertain the cost of Job 195 by using the following methods of overhead absorption.

1) Direct Labour Hour Rate 2) Direct Labour Cost 3) Machine Hour Rate

Q 4.) Mr. Arjun, an employee of the company gets the following emoluments and benefits: 20

Basic wages	₹ 30,000 per month
Dearness allowance	100% of basic
Employee's contribution to Provident Fund	12% of basic
Employee's contribution to E.S.I	4% of basic
Bonus	20% of basic
Other allowance	₹ 54,500 p.a

Mr. Arjun works for 2,400 hours per annum, out of which 400 hours are normal idle time. Employer's contribution to Provident Fund and E.S.I is at equal rate with employees contribution. Mr. Arjun worked 20 effective hours on a Job No. 09 where the cost of direct material is ₹ 30,000 and overheads are 100% of combined cost of material and labour. The sales value of Job is quoted to earn profit 10% on cost.

You are required to find out the following :

1) Mr. Arjun's total earnings 2) Labour cost 3) Effective hourly cost of Mr. Arjun 4) Expected sales value of Job No. 09.

Q 5. a) What is Time Rate System? Explain the merits and demerits of Time Rate System. 10
b) What are Overheads? Explain the classification of Overhead Cost. 10

Q 6. Write short notes on the following (any four): 20
a) Monetary and Fringe benefits
b) Allocation of Overheads v/s Apportionment of overheads
c) Departmentalization of Overheads
d) Types of Idle time
e) Merrick's differential piece rate system