

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**TY B.Com, Semester-V, Semester End Examination, January 2022**  
**Cost Accounting -II**  
**Cost Accounting DSE 2 COD106**

**Duration: 2hrs**

**Max. Marks: 80**

**Instructions:**

- i. Question No.1 is compulsory
- ii. Answer any 3 Questions from Question no.2 to Question No.6
- iii. Start each question on a fresh page
- iv. Give working note wherever necessary
- v. All questions carry equal marks

**Q.1. Calculate the earnings of Mr. Roy under the given situations: 20 Marks**

1. He is allowed 60 hours time for completion of the job and the hourly rate is Rs. 50. The actual time taken by Roy is 40 hours. He is also paid fixed Dearness Allowance of Rs. 2000.
  - a. He is paid wages under Halsey Method.
  - b. He is paid wages under Rowans Method.
2. Mr. Roy's output is 80 units per day of 8 hours, the normal rate is Rs. 10 per unit and the standard output per day is 75 units. He is paid wages under Taylors differential piece rate scheme and the differentials to be applied are:
  - i. 80% of the piece rate below standard
  - ii. 120% of the piece rate above standard
3. Standard production per day is 48 units and Normal piece rate is Rs. 15 per unit, In a day of 8 hours, Mr. Roy produces 36 units. He is paid wages under Merrick Differential Piece rate plan.

**Q.2. Alpa ltd has 03 production departments P1, P2, P3 and 02 service departments S1, S2. The overheads are as follows:**

**20 Marks**

- i. Rent- Rs. 10,000
- ii. Rates and Taxes Rs. 3,000
- iii. Depreciation of Building Rs. 54,000
- iv. Depreciation of other assets Rs. 42,000
- v. Insurance of Building Rs. 9,600
- vi. Insurance of Plant Rs. 8,400
- vii. Lighting Rs. 12,800

- viii. Power Rs. 16,500
- ix. Stores overheads Rs. 5,400
- x. Canteen Expenses Rs. 15,600

	P1	P2	P3	S1	S2
Area	3,000	4,000	4,000	2,000	2,000
No. of employee	80	110	60	30	20
Other Assets	1,50,000	1,90,000	1,80,000	1,00,000	80,000
Light Points	15	10	07	05	03
H.P of Machines	400	300	200	200	-
Materials consumed	90,000	80,000	60,000	-	40,000

Prepare Overhead Distribution summary as per primary distribution and then re-apportion the expenses of service department S1 in the ratio of 2:3:5 and S2 in the ratio of 3:2:5.

**Q.3. a) From the following information of a Factory Machine room, Calculate Machine Hour Rate:** 10 Marks

	Rs.
Cost of Machine	10,00,000
Installation charges	40,000
Estimated scrap value (after working life of 15 years)	5,000
Rent and Rates, for the shop p.m	10,000
Lighting for the shop p.m	6,000
Insurance of machine p.a.	12,000
Repairs p.a.	60,000
Shop supervisor's salary p.a.	1,80,000

Power consumed by the machine 10 units per hour @ Rs. 400 per 100 units.  
 Supervisor is expected to devote half of his time for the machine. The machine occupies half of the space of the shop.  
 Estimated working hours per annum are 2,000 hours.

**Q.3. b) The following information is extracted from the budget of Sarkh ltd for 2021. 10 Marks**  
 Direct material Used: Rs.72,000

Direct Wages: Rs. 60,000

Labour Hours worked: 24,000

Hours of Machine operation: 20,000

Overheads chargeable to the Dept: 80,000

**The following details are available for an order carried out during the period.**

Direct labour Cost: Rs. 33,000

Direct labour Hours: 1650

Machine Hours: 1,200

Direct material cost: Rs.40000

Prepare a comparative statement of cost chargeable to the order by (i) Machine Hour Rate,  
(ii) Direct Labour Cost Method.

**Q.4. a) From the following particulars prepare labour cost per men of 8hours. 10 Marks**

Basic salary: Rs.500 per day.

- Dearness allowance Rs.2.5 every point over 100 Cost of living index (Current Cost of living index is 700 points)
- Leave salary 10% of basic salary and DA
- Employers contribution to PF 8% and ESI 2.5%
- Expenditure on amenities to labour Rs.2000 per month
- No. of working days in a month 25 days of 8 hours each
- Output in a day 32 units.

**Q.4. b) Explain the causes of Labour turnover. 10 Marks**

**Q.5. a) Elaborate on the Causes of Idle Time. 10 Marks**

**Q.5. b) Explain the Behavior wise classification of overheads. 10 Marks**

**Q.6. Write short notes on the following. (Any 4) 20 Marks**

- a) Need of time keeping
- b) Payroll accounting.
- c) Actual and predetermined overhead rate.
- d) Departmentalization of overheads.
- e) Causes of over and under absorption of overheads.