

Cost Accounting (BCA203)**Duration: 2 hrs****Max Marks: 50 mks***Instructions:*

1. All questions are compulsory
2. Start each new question on a fresh page
3. Figures to the right indicate maximum marks

Q1. Write short notes on :- (Any 5)**(10 Mks)**

- a) Direct Wages
- b) Weighted Average Method
- c) Halsey Premium Plan
- d) Unit Costing
- e) Variable Cost
- f) Labour Turnover
- g) Maximum Level

Q2A) Prepare a cost sheet from the following information for the year ended 31st March 2015 showing:

- a) Prime Cost b) Factory Cost c) Cost of Production d) Total Cost e) Profit

(10 Mks)

Particulars	Amount
Opening Stock of Raw Materials	8,000
Purchase of Raw Material	48,000
Closing Stock of Raw Materials	8,800
Wages- Direct	64,000
Wages- Indirect	40,000
Work Managers Salary	30,000
Salary to Office Staff	20,000
Factory Rent	4,000
Salary to Salesman	10,000
Factory Insurance	6,200
Plant Repairs and Maintenance	1,500
Advertisement Expenses	4,000
Depreciation on Office Building	2,000
General Expenses	1,000
Showroom Expenses	2,500
Printing and Stationery	500
Opening Stock of Work in Progress	6,000
Closing Stock of Work in Progress	2,000

OR**Q2B) From the following transactions prepare Stores Ledger account using Weighted Average Method.**

June 3	Purchased	500 units @ Rs. 4 per unit
June 5	Purchased	500 units @ Rs. 5 per unit
June 8	Issued	800 units
June 10	Purchased	200 units @ Rs. 5.50 per unit
June 13	Issued	100 units
June 16	Purchased	300 units @ Rs.6 per unit
June 18	Issued	400 units
June 20	Purchased	200 units @ Rs. 6.50 per unit
June 23	Issued	100 units
June 27	Issued	50 units

(10 Mks)**Q3) A) i) Explain Material Issue procedure.****(3 Mks)****ii) From the following transactions prepare Stores Ledger Account using FIFO Method****(7 Mks)**

Nov 1	Opening Stock	500 units @ Rs.10 each
Nov 3	Purchased	100 units @ Rs.11 each
Nov 5	Issued	500 units
Nov 9	Purchased	700 units @ Rs.12 each
Nov 11	Issued	500 units

Q3) B) x) Write a short note on Re-order Level.

(2 Mks)

y) Calculate Minimum level, Maximum level, Re-order level and Average Stock level from the following information.

(8 Mks)

Re-order quantity	7200 units
Re-order period of materials	2 to 4 weeks
Maximum Usage	1350 units per week
Normal Usage	900 units per week
Minimum Usage	450 units per week

Q4) A) i) Write a short note on Time Rate System and Piece Rate System.

(2 Mks)

ii) Calculate the earnings of worker A and Worker B under Piece Rate System and Taylor's Differential Piece Rate System from the following particulars:

(8 Mks)

Standard Production – 8 units per Hour

Normal time rate – Rs 4 per Hour

Workers work for 9 hours per day.

Differential Piece Rate to be applied as follows:

1) 80% of piece rate for below standard performance

2) 120% of piece rate for performance at or above standard

Actual Performance:

Worker A produced 54 units in a day and Worker B produced 75 units in a day.

OR

Q4) B) x) Write short notes on the following:

(6 Mks)

1) Causes of Labour Turnover

2) Measures to overcome Labour Turnover

y) Calculate the total earnings of a worker under Rowans Plan and also find out effective rate of earnings per hour from the following information.

(4 Mks)

Standard Time – 20 Hours

Time Taken by a Worker – 16 Hours

Hourly Rate of Wages – Rs. 4

Q5) A) Following expenses were incurred by a contractor on contract which he started on 1st January 2015.

(10 Mks)

	Rs
Materials Purchased	40,000
Wages Paid	43,000
Wages Outstanding	1,000
Plant at cost	6,000
Establishment Expenses	2,000
Materials in Hand	1,500
Plant on Hand	4,000
Share Capital	20,000
Creditors	3,500

The contract price was Rs. 1,50,000. Cash received was Rs. 67,500 being 75% of work certified.

The cost of the work done but uncertified was Rs. 1,000. Prepare Contract A/c and Balance Sheet.

OR

Q5) B) A product passes through 3 processes. The following information is collected for January 2016.

(10 Mks)

Particulars	Process 1	Process 2	Process 3
	Amount	Amount	Amount
Direct Material	5,200	3,960	5,924
Direct Wages	4,000	6,000	8,000
Output in Units during the month	950	840	750
Normal Loss	5%	10%	15%
Value of Scrap per unit	4	8	10

1000 units @ Rs.6 were introduced in Process 1. There was no stock of materials or Work In Progress at the beginning or at the end of that month. The production overhead was Rs. 18,000 for that month and was allocated on the basis of direct wages.