

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**FY BCA, Semester II, Supplementary Examination, May/June 2019**  
**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)**

**(5x2=10)**

- a) Cost accounting
- b) Standard Costing
- c) Maximum Level
- d) Weighted Average Method
- e) Variable Cost
- f) Labour Turnover
- g) Reorder Level
- h) Time Rate System

**Q2) A) Prepare a cost sheet from the following information for the year ended 31<sup>st</sup> March 2018 showing:**

**(10 Mks)**

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

Particulars	Amount
Direct Materials	33,000
Factory Rent and Rates	7,500
Factory Heating and Lighting	1,000
Direct Wages	35,000
Office Rent and Rates	4,000
Power Expenses	1,500
Direct Expenses	15,000
Factory Managers Remuneration	14,000
Depreciation on Plant and Machinery	1,500
Depreciation on Office Furniture	500
Legal Charges	500
Salesman Salary	5,000
Office Insurance	2,000
Warehouse Rent	4,000
Advertisement Expenses	3,000
Travelling Expenses of Salesman	1,000
Office Managers Remuneration	8,000
Bad Debts Written off	1,000
Sales	1,51,000

**OR**

**Q2) B) a) Write short note on Simple Average Method.**

**(2 Mks)**

**b) From the following transactions prepare Stores Ledger Account using Weighted Average Method.**

**(8 Mks)**

Apr 1	Opening Stock	300 units @ Rs. 2 each
Apr 2	Purchases	200 units @ Rs. 2.20 each
Apr 4	Issue	150 units
Apr 6	Purchases	200 units @ Rs. 2.30 each
Apr 11	Issue	150 units
Apr 19	Issue	200 units
Apr 22	Purchases	200 units @ Rs. 2.40 each
Apr 27	Issue	150 units

**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
Nov 15	Purchased	400 units @ Rs.13 each
Nov 22	Issued	500 units

**OR**

**Q3) B) a) Write a short note on Danger Level.**

**(2 Mks)**

**b) M/s.Sai Enterprises, Goa manufacturers of Air coolers gives the following information with respect to Component A in the manufacturing process for the year ending 31<sup>st</sup> March 2017.**

**(8 Mks)**

Normal usage 200 units per week

Maximum usage 300 units per week

Minimum usage 100 units per week

Reorder period of materials: Maximum--- 4 weeks, Minimum--- 2 weeks

Reorder quantity: 1600 units

You are required to calculate:-

- 1) Reorder Level
- 2) Minimum Level
- 3) Maximum Level
- 4) Average Stock Level

**Q4) A) a) Write short notes on the following:**

**(6 Mks)**

- 1) Halsey Premium Plan
- 2) Piece Rate System
- 3) Rowan Plan

**b) Calculate the total earnings of a worker under Halsey Premium Plan and also find out effective rate of earnings per hour from the following information.**

**(4 Mks)**

Standard time allowed= 48 hours

Hourly rate of wages = Rs 10

Actual time taken = 40 hours

Percentage of bonus = 50%

OR

Q4) B) a) Write a short note on Taylor's Differential Piece Rate System.

(2 Mks)

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

(8 Mks)

Normal rate per hour – Rs 4

Standard time per unit – 60 seconds

Workers work for 9 hours per day.

Differentials to be applied as follows:

1) 80% of piece rate below standard

2) 120% of piece rate above standard

Worker A produces 500 units per day and Worker B produces 600 units per day.

Q5) A) Following expenses were incurred by a contractor on contract which he started on 1<sup>st</sup> January 2017.

(10 Mks)

Particulars	Amount
Materials	45,000
Wages	60,000
Plant at cost	50,000
Work Certified	1,20,000
Work Uncertified	60,000
Materials in Hand	11,000
Plant on Hand	43,000
Cash Received from Contractee	1,00,000
Material returned to stores	2,000
Creditors	5,000
Share Capital	50,000

Prepare Contract account and balance sheet assuming the contract price Rs. 3,50,000.

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.

Prepare Process account indicating Normal loss, Abnormal Loss and Abnormal Gain.