

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B.C.A, Semester - II, End Semester Examination, April 2015

Cost Accounting (BCA 203)

Duration: 2 hours

Marks: 50

Instruction: 1) All questions are compulsory
 2) Figures to the right indicate full marks
 3) Start each new question on fresh page

Q No. 1) A) Fill in the blanks (5 mks)

- i) _____ level indicates the time to place order for material.
- ii) _____ denotes the percentage of change in the labour force of an organisation.
- iii) _____ is not allowed to affect the normal cost of production.
- iv) _____ is also known as specific order costing.
- v) _____ is the point at which total revenue is equal to total cost.

Q No. 1) B) Match the following (5 mks)

- | Column 'A' | Column 'B' |
|----------------------------|----------------------|
| i) Halsey premium plan | a) Marginal costing |
| ii) Job costing | b) Escalation clause |
| iii) Normal loss | c) Specific costing |
| iv) Contract costing | d) 50-50 Bonus |
| v) Fixed and variable cost | e) Unavoidable |

Q No. 2) A) The following data have been extracted from the books of M/s Royal Industries, for the year 2013. (10 mks)

Opening stock:	
Raw materials	5,000
Finished goods	4,000
Closing stock:	
Raw materials	4,000
Finished goods	5,000
Raw material purchased	50,000
Wages paid to labourers	20,000
Direct expenses	2,000
Rent, rates and taxes	5,000
Power	2,000
Factory heating and lighting	2,000
Factory insurance	1,000
Experimental expenses	500
Dividend	1,000
Office management salaries	4,000
Office printing and stationery	200
Salaries of salesman	2,000
Commission of travelling agents	1,000
Sales	1,00,000
Income tax	20,000

Prepare a statement showing: (a) Prime cost (b) Factory cost (c) Cost of production (d) Total cost

(OR)

Q No. 2) X) State and explain the advantages and disadvantages of Cost Accounting. (10 mks)

Q No. 3) A) 1) The following information in respect of a component is extracted from the books of M/s Media Point Ltd., Panjim, for the year ending 31st March, 2011. (5 mks)

Maximum usage in a month	300 Nos.
Minimum usage in a month	200 Nos.
Normal usage in a month	225 Nos.

Time lag in procurement of materials: Maximum 6 months, Minimum 2 months, Reorder Quantity- 750 Nos.

You are required to calculate:

(i) Reorder level (ii) Minimum level (iii) Maximum level (iv) Average stock level

Q No. 3) A) 2) State and explain the need for material control (5 mks)

(OR)

Q No. 3) X) From the following transaction prepare a stores ledger account using FIFO method. (10 mks)

2012	
Jan 1	Opening stock 500 units @ Rs. 20 each
Jan 4	Purchased 400 units @ Rs. 21 each
Jan 6	Issued 600 units
Jan 8	Purchased 800 units @ Rs. 24 each
Jan 9	Issued 500 units
Jan 13	Issued 300 units
Jan 24	Purchased 500 units @ Rs. 25 each
Jan 28	Issued 400 units

Q No. 4) A) 1) Calculate the total earning of the worker under the Halsey's premium plan also find out effective rate of earning. A worker is paid Rs. 3 per hour, the actual time taken by him to complete his work is 18 hrs and the time allowed for completion of job is 24 hrs. If the worker completes the work in actual time he is paid a bonus of 60%. (5 mks)

Q No. 4) A) 2) Write a short note on Taylor's differential piece rate system and Rowan plan. (5 mks)

(OR)

Q No. 4) X) 1) Calculate the earnings of worker 'A' and worker 'B' under Piece rate system and Taylor's differential piece rate system. (5 mks)

Standard units per hour- 8 units per hour

Normal rate per hour is Rs. 4

Differentials to be applied 80% of piece below standard

120% of piece rate above standard.

A worker works for 9 hours a day.

Worker A produces 54 units a day and Worker B produces 75 units a day.

Q No. 4) X) 2) What is overtime? State the various causes of overtime. (5 mks)

Q No. 5) A) A product is obtained after it passes through three distinct processes. The following information is obtained from the accounts for the month ending January, 2014

	Process I Rs.	Process II Rs.	Process II Rs.
Direct Material	2,600	1,980	2,962
Direct Wages	2,000	3,000	4,000
Production overhead	2,000	3,000	4,000

1,000 units at Rs. 3 each were introduced to Process I. There was no stock of materials or work-in-progress at the beginning or end of the period. The following additional data are obtained. (10 mks)

	Output during the month(units) Rs.	% of Normal wastage in input Rs.	Value of scrap per unit Rs.
Process I	950	5%	2
Process II	840	10%	4
Process III	750	15%	5

Prepare Process Accounts

(OR)

(10 mks)

Q No. 5) X) Vikrant Construction Company Ltd. have undertaken the construction of a bridge over a river Sal for a municipal corporation. The value of the contract is Rs. 12,50,000 subject to a retention of 20% until one year after the certified completion of the contract, and final approval of the corporation's engineer. The following are the details as shown in the books on 30th June 2012:

Materials direct to site	4,20,000
Material from store	81,200
Labour on site	4,05,000
Hire and use of plant	12,100
Direct Expenses	23,000
General overhead allocated to contract	37,100
Materials in hand on June 30, 2012	6,300
Wages accrued on June 30, 2012	7,800
Direct Expenses accrued on June 30, 2012	1,600
Work not yet certified at cost	16,500
Amount certified by the Corporation Engineer	11,00,000
Cash received on Account	8,80,000

Prepare: (a) Contract Account (b) Contractee's Account.
