

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B.Com, Semester II, End Examination, APRIL 2017
FOUNDATION COURSE – COST ACCOUNTING

Duration: 02 hrs

Marks: 80

Instructions :i) Question No. 1 is compulsory.

ii) Attempt any THREE questions from Q.2 to Q6.

1. Prepare a Cost Sheet from the following cost records of Raghav Ltd. For the year ended 31st December 2016 :

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	Rs.
Opening Stock of Raw Material	50,000
Purchase of Raw Material	1,60,000
Closing Stock of Raw Material	80,000
Wages - Productive	1,50,000
" - Factory	20,000
Chargeable Expenses	40,000
Rent, Rates & Taxes - Factory	10,000
" - Office	1,000
Depreciation on Plant	3,000
Salary - Office	5,000
" - Travellers	4,000
Printing & Stationery	1,000
Office Cleaning & Lighting	800
Repairs to Plant	6,400
Other Factory Expenses	5,000
Management Expenses	24,000
Travelling Expenses of Salesmen	2,200
Showroom Expenses	2,000
Carriage & Freight - Inwards	9,000
" - Outwards	2,000
Advertisement	4,000
Income Tax	30,000
Goodwill written off	5,000
Sales	4,60,000

Management Expenses to be allocated in the ratio of 2 : 1 : 3 on Factory, Office and Sales divisions respectively.

2. A Company has three Production Departments – A, B and C and two Service Departments – D and E. The following data is extracted from the records of the Company : 20

	Rs.		Rs.
Rent & Rates	5,000	General Lighting	600
Indirect Wages	1,500	Power	1,500
Depreciation on Machinery	10,000	Sundry Expenses	10,000

The following further information is available :

		A	B	C	D	E
Floor space	Sq.ft.	2,000	2,500	3,000	2,000	500
Light Points	Nos.	10	15	20	10	5
Direct Wages	Rs.	3,000	2,000	3,000	1,500	500
H.P. of Machines	HP	60	30	50	10	-
Value of Machines	Rs.	60,000	80,000	1,00,000	5,000	5,000

Prepare the Overhead Distribution Summary from the above.

3. Rajan Ltd. has four Production Departments –I, II, III and IV and two Service Departments – Transport and Power Supply. The expenses of the respective departments were as follows :
 Production Depts. – I – Rs.10,000 , II – Rs. 9,000, III - Rs. 8,000, IV – Rs.7,000. Service Depts. - Transport - Rs.5,500, Power Supply - Rs.3,800.
 The Service Dept expenses are charged on percentage basis as follows : 20

	I	II	III	IV	Transport	Power
Transport	10%	30%	20%	20%	-	20%
Power Supply	30%	20%	30%	10%	10%	-

Apportion the Service Department expenses to the various departments under :

- Repeated Distribution Method and
- Simultaneous Equation Method.

4. Compute the Machine Hour Rate from the following data : 20

	Rs.
Cost of Machine	1,00,000
Installation Charges	10,000
Estimated scrap value at the end of its life (15 years)	5,000
Rent & Rates for the shop per month	2,000
General Lighting for the shop per month	3,000
Insurance Premium for the Machine per annum	9,600
Repairs & Maintenance expenses per annum	10,000
Power consumption – 10 units per hour	-
Rate of power per 100 units	200
Shop Supervisor's salary per month	6,000

Estimated working Hours per annum – 2,000 hours. The Machine occupies $\frac{1}{4}$ th of the total area of the shop. The Supervisor is expected to devote $\frac{1}{5}$ th of his time for supervising this Machine.

5. Calculate the earnings of a worker under – i) Time Rate System ii) Piece Rate System iii) Halsey Plan and iv) Rowan Plan from the following particulars : 20

Hourly Rate of Wages - Rs.75

Standard Time for producing 1 article is 3 hours

Actual Time taken by the worker to produce 20 articles is 48 hours.

6. Write short notes on any FOUR of the following : 20

- a) Machine Hour Rate
 - b) Time Rate & Piece Rate Wages
 - c) Selling & Distribution Overheads
 - d) Production Departments & Service Departments
 - e) Prime Cost
 - f) Incentive Schemes of Wage payment
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