

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
F.Y.B.Com, Semester II, May/June Supplementary Examination 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. From the following particulars prepare a Cost Sheet showing Prime Cost, Works Cost, Cost of Production, Total Cost of Sales and Profit : 20

	Rs.
Opening Stock of Raw Material	25,000
" " " Finished Goods	20,000
Raw Material purchased	2,50,000
Wages paid	1,00,000
Closing Stock of Raw Material	20,000
" " " Finished Goods	25,000
Chargeable Expenses	10,000
Rent, Rates & Taxes (Factory)	25,000
Motive Power	10,000
Factory Heating & Lighting	10,000
Factory Insurance	5,000
Waste Cotton	1,000
Office Salaries	20,000
Printing & Stationery	1,000
Salesmen's Salaries	10,000
Commission to Travelling Agents	5,000
Sales	5,00,000
Income Tax	10,000

2. Kartik Ltd. has two Production Departments – A and B and two Service Departments – X and Y. Following is the summary of overhead costs for a particular period : 20

	Rs.
Works Manager's Salary	4,000
Power	21,000
Labour Welfare	12,000
Contribution to Provident Fund	9,000
Plant Maintenance	4,000
Depreciation on Plant & Machinery	20,000
Rent	6,000

Following information is available :

	Dept. A	Dept. B	Dept. X	Dept. Y
No. of employees	16	8	4	4
Area occupied (sq. ft.)	2,000	3,000	500	500
Value of Plant (Rs.)	75,000	1,00,000	25,000	-
Wages (Rs.)	40,000	20,000	10,000	5,000
Ratio of HP of Machines	3	3	1	-

Apportion the costs to the various departments on most suitable basis.

3. In a factory there are three Production Departments - A, B, and C and two Service Departments - P and Q. In January 2017 the Departmental expenses were : 20

Departments	Rs.
A	65,000
B	60,000
C	50,000
P	12,000
Q	10,000

The Service Department expenses are allocated as follows :

	A	B	C	P	Q
Dept. P	30%	40%	15%	-	15%
Dept. Q	40%	30%	25%	5%	-

Distribute the Service department expenses over the Production departments under :

- Repeated Distribution method and
- Simultaneous Equation method.

4. a) Calculate the earnings of workers A and B under Straight Piece Rate System and Taylor's Differential Piece Rate System from the following : 8

Normal Rate per hour -Rs. 18

Standard time per unit - 20 seconds

Differentials to be applied :80% of Piece Rate below Standard and 120% of Piece Rate at or above Standard.

Worker A produces 1,300 units per day and Worker B produces 1,500 units per day of 8 hours.

- b) Following annual charges are incurred in respect of a machine in a shop where work is done by five identical machines :

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	Rs.
Rent & Rates for the shop	4,800
Depreciation for each machine	500
Repairs & Maintenance for five machines	1,000
Power consumed @ 50paise per unit for the shop	3,000
Lighting charges for the shop	540
Sundry supplies & Lubricants for the shop	450

There are two attendants for the five machines each paid Rs.600 per month.
For the five machines in the shop there is one supervisor who is paid Rs.2,500 per month. The Machine works for 1,200 hours per annum.

5. Calculate the earnings of a worker from the following information under : **20**

- a) Time Rate method b) Piece Rate Method c) Halsey Plan and d) Rowan Plan.
Standard Time - 30 hours
Time taken - 20 hours
Hourly rate of wages is Rs.15 per hour worked.

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

- a) Taylor's Differential Piece Rate
b) Factory Overheads
c) Idle Time & Overtime
d) Direct Material & Indirect Material
e) Merits & Demerits of Piece Rate System
f) Apportionment & Absorption of Overheads
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