

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**FY BCA, Semester II, End Semester Examination, April 2016**  
**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

**Q 1) A) Choose the correct alternative from the following: (5 mks)**

1. Cost that changes according to the changes in output.  
A) Fixed Cost                      B) Semi-variable Cost                      C) Variable Cost
2. Method based on the assumption that materials purchased first are issued first.  
A) LIFO Method    B) FIFO Method    C) Weighted Average Method
3. System under which wages are paid according to the quantity of work done.  
A) Time Rate System              B) Wage Rate System              C) Piece Rate System
4. A method of costing used when the output is comprised of many assembled parts or components and costs have to be ascertained for each component.  
A) Uniform Costing              B) Job Order Costing              C) Multiple Costing
5. The rate of change in the composition of labour force in an organisation.  
A) Labour Turnover              B) Labour Output              C) Labour Absenteeism

**Q 1) B) Match the following (5 mks)**

**Column 'A'**

- 1) Cost Controlling
- 2) Selling & Distribution Cost
- 3) Operating Cost
- 4) Inspecting & Testing
- 5) Differential Piece rate System

**Column 'B'**

- A) F. W. Taylor
- B) Cost Accounting
- C) Purchase Procedure
- D) Service Oriented Units
- E) Bad debts written off

**Q2) A) From the following information for the month of January 2013, prepare Cost Sheet to show the following components. (10 Mks)**

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

Particulars	Amount
Direct Materials	57,000
Direct wages	28,500
Factory Rent & Rates	2,500
Office Rent & Rates	500
Plant Repairs & Maintenance	1,000
Plant Depreciation	1,250
Factory Heating & Lighting	400
Factory Managers Salary	2,000
Office Salaries	1,600
Directors Remuneration	1,500
Telephone & Postage	200



Printing & stationery	100
Legal Charges	150
Advertisement	1,500
Salesman salary	2,500
Showroom Rent	500
Sales	1,16,000

OR

Q 2) B) a) Write short note on Simple Average Method. (2 Mks)

b) From the following transactions prepare Stores Ledger Account using Simple 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) a) Write short note on FIFO Method. (2 Mks)

b) From the following transactions prepare Stores Ledger Account using FIFO Average Method (8 Mks)

July 1	Opening Stock	500 units @ Rs. 20 each
July 4	Purchases	400 units @ Rs. 21 each
July 6	Issue	600 units
July 8	Purchases	800 units @ Rs. 24 each
July 9	Issue	500 units
July 13	Issue	300 units
July 24	Purchases	500 units @ Rs. 25 each
July 28	Issue	400 units

OR

Q3) B) a) Write a short note on Danger Level (2 Mks)

b) The following with respect to component is extracted from the books of M/s. Vishal Enterprises, Goa for the year ending 31<sup>st</sup> March 2014. (8 Mks)

Maximum usage in a month 600 units

Minimum usage in a month 400 units

Normal usage in a month 450 units

Reorder period of materials: - Maximum--- 6 months, Minimum--- 2 months

Reorder quantity: 1500 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) Rowan Plan
- 3) Piece Rate System



- b) Calculate the total earnings of worker under Halsey Premium Plan and also find out effective rate of earnings per hour from the following information. (4 Mks)
- Rate per Hour – Rs. 1.50  
 Time allowed for job (Standard time) – 20 Hours  
 Actual time taken – 15 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 1.80  
 Standard time per unit – 20 seconds  
 Workers work for 8 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 1,300 units per day and Worker B produces 1,500 units per day. Calculate their wages.

- Q5) B) a) A product is obtained after passing it through 3 processes .The following information is collected for January 2012. (10 Mks)

Particulars	Process I	Process II	Process III
Direct Materials	Rs. 5,200	Rs. 3,960	Rs. 5,924
Direct Wages	Rs. 4,000	Rs. 6,000	Rs. 8,000
Output in units during the month	950	840	750
Normal Loss	5%	10%	15%
Value of scrap per unit	Rs. 4	Rs. 8	Rs. 10

1,000 units at Rs.6 each were introduced in Process I. There was no stock of material 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.

OR

- Q5) B) b) The following information relates to a building contract for Rs.10,00,000. (10 Mks)

Particulars	2013	2014
Materials Issued	3,00,000	84,000
Direct Wages	2,30,000	1,05,000
Direct Expenses	22,000	10,000
Indirect Expenses	6,000	1,400
Work Certified	7,50,000	10,00,000
Work Uncertified	8,000	-----
Materials at Sight	5,000	7,000
Plant Issued	14,000	2,000
Cash received from Contractee	6,00,000	10,00,000

The value of the plant at the end of 2013 & 2014 was Rs. 7,000 & Rs.5,000 respectively.

Prepare Contract Account & Contractee Account for 2 years 2013 & 2014.