

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
FY BCA, Semester II, End Semester Examination, April 2018
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)

(10 Mks)

- a) FIFO Method
- b) Cost Accounting
- c) Contract Costing
- d) Labour Turnover
- e) Time Rate System
- f) Minimum Level
- g) Semi-variable cost

Q2 A) Prepare a cost sheet from the following information for the year ended 31st December 2015
Showing:

(10 Mks)

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

| Particulars | Amount |
|-----------------------------------|----------|
| Opening Stock of raw materials | 8,000 |
| Purchase of raw materials | 48,000 |
| Closing Stock of raw materials | 8,800 |
| Factory Rent and Rates | 4,000 |
| Wages- Direct | 64,000 |
| Wages- Indirect | 40,000 |
| Factory Insurance | 6,200 |
| Work Managers Salary | 30,000 |
| Depreciation on office building | 2,000 |
| Plant repairs and maintenance | 1,500 |
| Salary to salesman | 10,000 |
| Showroom Rent | 2,500 |
| General Expenses | 1,000 |
| Printing and Stationery | 500 |
| Salary to office staff | 20,000 |
| Opening stock of work-in-progress | 6,000 |
| Closing stock of work-in-progress | 2,000 |
| Advertisement Expenses | 4,000 |
| Sales | 2,50,000 |

OR

Q2 B) a) Write short notes on the following:

(4 Mks)

- 1) LIFO Method
- 2) Weighted Average Method

b) From the following information prepare Stores Ledger Account using Simple Average Method.

(6 Mks)

| | |
|--------|---------------------------------------|
| Oct 5 | Purchased 500 units at Rs. 4 per unit |
| Oct 12 | Issued 400 units |
| Oct 17 | Purchased 900 units @ Rs. 5 per unit |
| Oct 20 | Issued 400 units |
| Oct 22 | Purchased 600 units @ Rs. 6 per unit |
| Oct 25 | Issued 600 units |

Q3) A) From the following information prepare Stores Ledger Account using LIFO Method.

(10 Mks)

| | |
|---------|---------------------------------------|
| June 1 | Opening Stock 500 units at Rs. 2 each |
| June 6 | Purchased 400 units at 3 each |
| June 9 | Issued 400 units |
| June 14 | Purchased 300 units at Rs 4 each |
| June 20 | Issued 100 units |
| June 21 | Issued 400 units |
| June 24 | Purchased 600 units at Rs 5 each |
| June 27 | Issued 400 units |
| June 28 | Purchased 100 units at Rs 6 each |
| June 30 | Issued 300 units |

OR

Q3) B) a) Write short notes on the following:

(4 Mks)

- 1) Reorder Level
- 2) Maximum Level

b) Calculate Minimum level, Maximum level, Re-order level from the following information. (6 Mks)

| | |
|------------------------------|--------------------|
| Re-order quantity | 3,000 units |
| Re-order period of materials | 4 to 6 weeks |
| Maximum Consumption | 750 units per week |
| Normal Consumption | 500 units per week |
| Minimum Consumption | 250 units per week |

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 Rowans Plan and also find out effective rate of earnings per hour from the following information. (4 Mks)

Standard time allowed = 20 hours
Hourly rate of wages = Rs 40
Actual time taken = 10 hours

OR

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

(2 Mks)

b) Calculate the earnings of worker X and Worker Y under Piece Rate System and Taylor's Differential Piece Rate System from the following particulars: (8 Mks)

Standard Production – 60 units per Hour

Normal time rate – Rs 6 per Hour

Workers work for 9 hours per day.

Differential Piece Rate to be applied as follows:

3) 80% of piece rate for below standard performance

4) 120% of piece rate for performance at or above standard

Actual Performance:

Worker A produced 500 units in a day and Worker B produced 600 units in a day.

Q5) A) 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.

OR

Q5) B) Following expenses were incurred by a contractor on contract which he started on 1st January 2014. (10 Mks)

| | Rs |
|------------------------|--------|
| Materials purchased | 40,000 |
| Wages paid | 43,000 |
| Wages outstanding | 1,000 |
| Plant at cost | 6,000 |
| Establishment Expenses | 2,000 |
| Materials in hand | 1,500 |
| Plant in hand | 4,000 |
| Share Capital | 20,000 |
| Creditors | 3,500 |

The contract price was Rs. 1,50,000. Cash received was Rs. 67,500 being 75% of work certified. The cost of the work done but uncertified was Rs. 1,000. Prepare Contract A/c and Balance Sheet.