

**Vidya Vikas Mandal's**  
**Shree Damodar College of Commerce & Economics, Margao-Goa**  
**FY BCA, Semester II, End Semester Examination, May 2016** *(Supplementary)*  
**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 remains constant irrespective of output up to the capacity limit.  
 A) Fixed Cost                      B) Semi-variable Cost                      C) Variable Cost
2. Full form of LIFO.  
 A) Latest In First Out                      B) Last In First Out                      C) Late In First Out
3. As per this plan, if a worker takes less than the standard time he is paid bonus equal to 50% of the time saved at the time rate fixed.  
 A) Rowan Plan                      B) Halsey Premium Plan                      C) Differential Piece Rate System
4. A method of costing used by those industries which undergo different Processes to manufacture the product.  
 A) Batch Costing                      B) Contract Costing                      C) Process Costing
5. System under which wages are paid according to the quantity of work done.  
 A) Piece Rate System                      B) Time Rate System                      C) Wage Rate System

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

- | Column 'A'                     | Column 'B'                        |
|--------------------------------|-----------------------------------|
| 1) Research & Development Cost | A) Manufacturing Commodities      |
| 2) Cost Accounting             | B) Control Labour Turnover        |
| 3) Materials                   | C) Discover new ideas & processes |
| 4) Welfare Measures            | D) Calculation of Earnings        |
| 5) Rowan Plan                  | E) Guides Management Decisions    |

**Q2) A) From the following information for the month of December 2014, 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
Opening Stock of Material	25,000
Purchase of Raw Material	85,000
Closing Stock of Material	40,000
Carriage Inward	5,000
Direct Wages	75,000
Factory Heating and Lighting	1,000
Other Direct Expenses	15,000
Factory Rent and Rates	4,000
Office Rent and Rates	500
Power Expenses	500

Depreciation on Plant and Machinery	1,500
Depreciation on Office Furniture	100
General Expenses	500
Salesman Salary	2,000
Other Factory Expenses	5,700
Other Office Expenses	400
Factory Managers Remuneration	14,000
Office Managers Remuneration	4,500
Sales Managers Remuneration	6,000
Bad Debts Written off	1,000
Advertisement Expenses	3,000
Travelling Expenses of Salesman	1,100
Sales	2,50,000

OR

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

b) From the following transactions prepare Stores Ledger Account using Weighted 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 LIFO Method (2 Mks)

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

Oct 1	Opening Stock	200 units @ Rs. 25 each
Oct 4	Purchases	200 units @ Rs. 24 each
Oct 5	Issue	250 units
Oct 10	Purchases	150 units @ Rs. 23 each
Oct 12	Issue	200 units
Oct 18	Purchases	100 units @ Rs. 24 each
Oct 22	Purchases	100 units @ Rs. 23.50 each
Oct 25	Issue	250 units

OR

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

b) M/s.Sai Enterprises, Goa manufacturers of Air coolers gives the following information with respect to Component A in the manufacturing process for the year ending 31<sup>st</sup> March 2013. (8 Mks)

Normal usage 200 units per week

Maximum usage 300 units per week

Minimum usage 100 units per week

Reorder period of materials: Maximum--- 4 weeks, Minimum--- 2 weeks

Reorder quantity: 1600 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) Time Rate System
- 2) Rowan Plan
- 3) Halsey Premium Plan

b) Calculate the total earnings of worker under Rowan's Plan and also find out effective rate of earnings per hour from the following information. (4 Mks)

Rate per Hour – Rs. 3

Standard time– 24 Hours

Actual time taken – 18 Hours

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 4

Standard time per unit – 60 seconds

Workers work for 9 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 500 units per day and Worker B produces 600 units per day.

Q5) B) a) A product passes through 3 processes. During December 2012, 1000 finished units were produced with the following expenditure. (10 Mks)

Particulars	Process A	Process B	Process C
	Amount	Amount	Amount
Direct Material	1,000	2,000	1,000
Direct Wages	5,000	4,000	3,000
Direct Expenses	500	600	1,000

Overhead expenses amounted in all to Rs. 6,000. These expenses are to be allocated on the basis of direct wages. Main raw material issued to Process A besides above direct material was worth Rs. 6,000. Prepare process account.

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.