

VidyaVikasMandal's
Shree Damodar College of Commerce and Economics, Margao-Goa
First Year B.Com, Semester-II, *May/June Supplementary Exam 2016*
FOUNDATION COURSE- COST ACCOUNTING *(New Course)*

Duration: 2 hours

Max Marks: 80

- Instructions: 1) Question No.1 is compulsory
2) Attempt any THREE questions from the remaining.

1. From the following information, prepare a Cost Statement showing the various heads of costs: (20)

Opening Stock of Raw Material	50,000
Purchase of Raw Material	1,60,000
Closing Stock of Raw Material	80,000
Productive Wages	1,50,000
General Wages	20,000
Chargeable Expenses	40,000
Factory Rent & Taxes	10,000
Depreciation on Plant	3,000
Salaries -Office	4,000
,, -Travellers	1,000
Printing & Stationery	800
Repairs & Renewals	6,400
Travelling Expenses	2,000
Showroom Expenses	1,500
Carriage - Outward	9,000
,, - Inward	1,000
Advertisement	4,000
Sales	4,60,000

2. a) Calculate Machine Hour Rate from the following information relating to four identical machines (10)

	Rs.
Rent & Rates	6,000 p.a.
Power consumed by the shop @ 10 paise per unit	4,800 p.a.
Repairs	1,000 p.a.
Lighting for the shop	800 p.a.
Shop Supervisor's Salary	600 per month
Lubricants	100 per month
Depreciation per Machine	600 p.a.

There are two attendants in the shop each paid Rs.60 per month. Each Machine consumes 10 units of Power per hour. (10)

2. b) Calculate the earnings of workers A and B under Straight Piece Rate and Differential Piece Rate Systems from the following: (10)

Normal Rate per hour Rs.24, Standard Time per unit 30 seconds

Differentials to be applied – 80% of Piece Rate below Standard

120% of Piece Rate at or above Standard

Worker A produces 800 units and B produces 1,000 units in a day of 8 hours.

3. Following information relates to Engineering Company for a period ending 31st December 2015. P1, P2 and P3 are Production Departments. S1 and S2 are Service Departments.

Departments		P1	P2	P3	S1	S2
Direct Wages	Rs.	7,000	6,000	5,000	1,000	1,000
Direct Material	Rs.	3,000	2,500	2,000	1,500	1,000
Employees	No.	200	150	150	50	50
Power	Kwh	8,000	6,000	6,000	2,000	3,000
Light Points	No.	10	15	15	5	5
Asset Values	Rs.	50,000	30,000	20,000	10,000	10,000
Area Occupied	Sq.Mts	800	600	600	200	200

The expenses for the period were: Stores Overheads – Rs.4, 000, Motive Power – Rs.15, 000, Lighting – Rs.2, 000, Labour Welfare – Rs.30, 000, Depreciation – Rs.60, 000, Repairs – Rs.12, 000, General Overheads – Rs.10, 000, Rent & Taxes – Rs.6, 000.

Prepare Primary Overhead Distribution Summary for the Departments showing clearly the basis of apportionment of overheads. (20)

4. A Company has three Production Departments –A,B and C and two Service Departments – X and Y Following was the summary of Overhead Distribution for the month of January 2016. (20)

Departments	Rs.
A	8,000
B	7,000
C	5,000
X	2,400
Y	3,000

The expenses of the Service Departments are to be distributed as follows:

	A	B	C	X	Y
X	20%	40%	30%	-	10%
y	40%	20%	20%	20%	-

Show the Secondary Distribution of Overheads by Repeated Distribution Method and Simultaneous Equation Method.

5. The Time allowed for a job is 10 hours. Rate per hour is Rs. 50. The Actual time taken for completing the job individually by four workers – A, B, C and D was 8 hours, 7 hours, 6 hours and 5 hours. Calculate the earnings of each worker under Halsey Premium Plan and Rowan Incentive Plan. (20)
6. Write short notes on any FOUR: (20)
- Incentive Wage Plans
 - Time Rate System – Merits and Demerits
 - Idle Time – Causes
 - Methods of Secondary Distribution of Overheads
 - Absorption of Overheads