

25/11

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
TY B.Com, Semester-V, Semester End Examination Jan 2021
Cost Accounting Major-II
Cost Accounting DSE-2 COD106

Duration: 2hrs

Max. Marks: 80

Instructions:

- i. Question No.1 is compulsory
- ii. Answer any 3 Questions from Question no.2 to Question No.6
- iii. Start each question on a fresh page
- iv. Give working note wherever necessary
- v. All questions carry equal marks

Q.1. Zenex Ltd. provides you the following particulars:

20 Marks

Hourly Wage Rate	Rs.7.50
Actual Output for the week	150 pieces
Piece rate per unit	Rs.6.00
Normal time taken per piece	0.4 hours

Differentials to be applied are, 80% of piece rate when output is below normal and 120% of piece rate when output is above normal. The working hours in a week are 48. The Standard Output per week is 120 pieces.

You are required to work out the earnings of worker for a week under:

- i. Straight Piece rate
- ii. Taylors Differential piece rate
- iii. Halsey Premium Scheme (50% Sharing)
- iv. Rowans Premium Plan

Q.2. Nestle Ltd. has three production departments and two service departments: 20 Marks
Following is the departmental summary for the month of December 2020.

Production Dept 1	Rs.1600	Service Dept 1	Rs.468
Production Dept 2	Rs.1400	Service Dept 2	Rs.600
Production Dept 3	Rs.1000		

The expenses of Service departments are charged on percentage basis:

	P1	P2	P3	S1	S2
Dept S1	20%	40%	30%	-----	10%
Dept S2	40%	20%	20%	20%	—

Prepare a statement showing the apportionment of the service departments to production departments by:

1. Repeated distribution method
2. and
3. Simultaneous equation method.

Q.3. a) From the following information of Textile Factory Machine room.

12 Marks

Calculate Machine Hour Rate:

	Rs.
Cost of Machine	1,00,000
Installation charges	10,000
Estimated scrap value (after working life of 15 years)	5,000
Rent and Rates, for the shop p.m.	200
Lighting for the shop p.m.	300
Insurance of machine p.a.	960
Repairs p.a.,	1,000
Shop supervisor's salary p.m.	600

Power consumed 10 units per hour (Rate of power per 100 units Rs.20). The machine occupies $\frac{1}{4}$ th of the shop. The supervisor is expected to devote $\frac{1}{5}$ th of his time for supervising the machine. Estimated working hours per annum are 2,000 hours.

Q.3. b) The following information is extracted from the budget of MRF ltd for 2020.

08 Marks

Factory Overheads: 36,000
 Direct labour Cost: 45,000
 Direct labour Hours: 36,000
 Machine Hours: 50,000
 Direct material cost: 54,000

Calculate the overheads chargeable to job by (i) Machine Hour Rate, (ii) Direct Labour Cost Method, (iii) Labour Hour Rate, and (iv) Prime Cost Method.

Q.4. a) Calculate the Net Wages Payable to Worker John:

10 Marks

As per the time cards the gross earnings of John is Rs. 30,000.

The various deductions from the gross earnings are as under:

i. Employees contribution to Provident Fund	Rs.2,500
ii. ESI- Employee's Contribution	Rs.400
iii. Advances against wages	Rs.800
iv. Canteen charges	Rs.200
v. Income Tax	Rs.500
vi. Cooperative dues	Rs.600

Company's contribution to Provident fund and ESI are Rs.2500 and Rs.800 respectively.

Q.4. b) Explain the methods of Time keeping **10 Marks**

Q.5. a) Elaborate on the Causes of Labour Turnover. **10 Marks**

Q.5. b) Explain the Classification of overheads. **10 Marks**

Q.6. Write short notes on the following. (Any 4) **20 Marks**

- a) Classification of labour cost.
- b) Need of time keeping.
- c) Difference between allocation and apportionment.
- d) Advantages of classification of overheads.
- e) Causes of over and under absorption of overheads.