



Sanjay Ghodawat University, Kolhapur

2018-19

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

Year and Program:

School of Commerce and
Management

Department
BCOM

SYBCOM

Cost Accounting

Semester – Even(IV)

Course Code: CBC202

End Semester Examination

Time: 3 hrs, Max Marks: 100

20th May 2019, Tuesday

Instructions:

- 1) All Questions are compulsory.
- 2) Use of simple calculator is allowed

2:30 to 5:30 PM

		Marks	Level	COs
Q.1	Answer the following			
a)	State which of the following statement are True or False (Attempt any 5)	10		
i.	Variable Cost per unit remains constant as production increases.	2	L1	1
ii.	Abnormal Cost is Controllable.	2	L1	1
iii.	Store Ledger Account and Purchase Ledger Control account are same in Integrated Accounting but not in Not Integrated Accounting.	2	L1	2
iv.	If total of Factory overheads incurred is more than overheads absorbed for Production then the difference will be known as Overheads Under-absorbed.	2	L1	2
v.	According to LIFO Method of Pricing issues are close to current economic values.	2	L1	3
vi.	Re order Level and Re order Quantity are same.	2	L1	3
b)	Answer the short question (Attempt any 5)	10		
i.	What is Halsey Rowan Plan for Payment of wages?	2	L1	4
ii.	What do you mean by Piece Rate System for payment of wages?	2	L1	4
iii.	Are high overhead costs an indication of efficiency?	2	L1	5
iv.	What do you mean by Fixed Overheads?	2	L1	5
v.	Name any Five industries in which process costing is used.	2	L1	6
vi.	What is abnormal loss? How is it different from Normal Loss?	2	L1	6
Q.2	Solve the following			
a)	Prepare Cost Sheet from the following particulars	10	L1	1

Direct Material- Opening Balance	33,000
Purchases during period	52,000
Closing Inventory of Material	15,000
Direct Labour Wages	25,000
Direct Expenses	5,000

Salary to Factory Supervisor	20,000
Repairs	10,000
Depreciation in Factory	15,000
Power	5,000
Misc Factory Indirect Expenses	5,000
Opening Stock of WIP	10,000
Closing Stock of WIP	15,000
Depreciation on Admin Building	15,000
Salary to Office Staff	25,000
Light Charges to Office Building	10,000
Opening Stock of Finished Goods	35,000
Closing Stock of Finished Goods	35,000
Salesmen Commission	12,000
Sales Promotion Expenses	13,000

OR

- a) Give examples of how cost can be classified in a variety of ways for different purposes. 10 L1 1
- b) The following balances were extracted from a company's ledger as on 31 March 2018 10 L2 2

Particulars	Amount	Amount
	Rs	Rs
Store Ledger Control A/c	48,836	
WIP Ledger Control A/c	14,745	
Finished Goods Control A/c	21,980	
General Ledger A/c		85,561

Further transactions took place during the quarter as follows

Particulars	Amount Rs
Raw Material Purchased	22,422
Raw Material Issued to production	17,000
Raw Material returned to suppliers	1,000
Raw Material Lost	500
Raw Material used for Repairs in Factory	2,500
Raw Material used at Shop Floor for Merchandizing	1,000

Wages Paid			
-Direct Wages		17,000	
-Indirect Wages			
--Factory	3,500		
--Admin	1,500		
--S&D	2,000	7,000	24,000
Indirect Expenses paid			
--Factory	4,500		
--Admin	6,500		
--S&D	8,000		19,000
Factory Overheads absorbed for the production			9,000
Goods finished during quarter			36,000
Cost of Goods available for sale			55,000
Sales			60,000

Prepare Ledger Accounts under Non Integrated Accounting System .

OR

- b) Avadhoot Enterprises, Kolhapur operates Integral System of Accounting. You are required to pass Journal Entries for the following transactions that took place .(Narrations are not required)

10 L2 2

	Amount Rs
Raw Material purchased (50% on credit)	8,00,000
Material Issued to production	6,00,000
Wages paid (50% Direct and 25% in Factory Supervision and 25% in Admin Department)	4,00,000
Factory Overheads incurred(Other than above)	160,000
Factory Overheads charged to Production	200,000
Goods Finished at cost (Cost of Production)	10,00,000
Admin Overheads incurred	20,000
Cost of Goods available for Sale	10,60,000
Selling Overheads	60,000
Credit Sales	8,00,000
Cash Sales	6,00,000

Q.3**Solve the following**

- a) The Complete Gardener is deciding on the Economic Order Quantity of two brands of Lawn Fertilizer: Super Grow and Nature's Own. The following information is collected

	Super Grow	Nature's Own
Annual Demand	2000 bags	1,280 bags
Relevant Ordering cost per purchase order	Rs.1200	Rs. 1400
Annual Relevant Carrying cost per bag	Rs.480	Rs. 560

Compute EOQ for the both products.

OR

- a) Kumar Enterprises was not maintaining a perpetual inventory system for its stock until recently. Only physical inventory was taken at the end of each month . The physical inventory at the end of December 2018 showed 200 bags of Rice at Rs.2012.25 per bag. The following particulars were as follows in Jan 2019

3/01/2019	400	218.00
10/01/2019	900	223.50
15/01/2019	400	220.00
28/01/2019	700	213.00
30/01/2019	300	224.00

On 31.01.2019 the physical stock was 1,200 bags. You are required to calculate the value of Closing Stock according to First In First Out Method.

- b) Calculate the Earnings of Workers A and B from the following particulars for a month and allocate the earnings to each Job X, Y and Z

Particulars	A	B
Basic Wages	15,000	12,500
Dearness Allowance	35%	35%
Employees Contribution	12%	12%
Provident Fund on Basic Wages		

Employers Contribution		
Provident Fund on Basic Wages	12%	12%
Overtime	5 hours	8 hours

The Normal Hours of Production is 200 hours. Overtime is paid double the normal rate.(wages+DA)

	X	Y	Z
A	100	50+5 hrs Overtime	50
B	50+8hrs Overtime	50	100

OR

- b) Calculate the earnings of workers X and Y under Taylor's Differential Piece Rate System from the following particulars

10 L2 4

Normal Rate per Hour= Rs.25

Standard time per unit= 40 minutes

No. of hours to work = 8 hours/ Day

Worker A produces 10 units per day and B produces 14units per day.

Also state your opinion about how Taylor's System can be useful to encourage the workers for more work.

Q.4 Solve any Two of the following

- a) Aniruddha Enterprises is divided among 4 Production Departments and 2 Service Departments Apportion the cost to the various departments on the most equitable basis

10 L2

The actual cost for the period are as follows

5

	Amount Rs.
Rent	25,000
Repairs to Plant	15,000
Depreciation on Plant	10,000
Insurance on Workmen	20,000
Power	40,000

The following information is available in respect of the four departments:

Particulars	P1	P2	P3	S1	S2
Area (sq Mtr)	10	5	5	3	2
Value of Plant	35000	25000	20000	10000	10000
No. of Laborers	75	50	25	25	25
Capacity of Machine in HP	12	10	8	5	5

ESE

- b) Suratwala Manufacturers is in confusion while calculating overheads of Production Departments for the treatments of Service departments. 10 L3 5

As per primary Distribution the following details are available

Foundry	120,000
Machine Shop	80,000
Assembling	50,000
Stores	10,000
Maintenance	15,000

The expense of Service Departments can be charged out of percentage basis as follows:

	Foundry	Machine Shop	Assembling	Stores	Maintenance
Stores	20	40	30	-	10
Maintenance	40	20	20	20	

As service departments overheads are overlapping Suratwala Manufacturers are in confusion. Guide them to prepare Statement of Apportionment of Service Departments to Production Departments by Simultaneous Equation Method

- c) Consider above details and Show Secondary Distribution by using Repeated Re Redistribution Method. 10 L3 5

Q.5 Answer any Two of the following

- a) A work order 500 units of a commodity has to pass through four different machines of which Machine Hour Rate is as follows 10 L3 6

Machine No. I Rs. 1.25 and engaged for 200 hours

Machine No. II Rs.3.00 and engaged for 300 Hours

Machine No. III Rs. 4.00 and engaged for 240 Hours

Machine No. IV Rs. 2.50 and engaged for 100 Hours

The following Expenses have been incurred on the work order materials Rs. 20,000 and Wages Rs 1,500

After the work order has been executed materials worth Rs. 1000 are found to be surplus and are returned to stores.

Office Overheads used to be 40% of works cost but on account of all round rise in the cost administration there has been 30% rise in proportion.