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Roll No.

BCH-402

**B. COM. (HONS.)
(FOURTH SEMESTER)
END SEMESTER
EXAMINATION, June, 2023**

COST ACCOUNTING

Time : Three Hours

Maximum Marks : 100

- ote : (i) All questions are compulsory.
(ii) Answer any *two* sub-questions among
(a), (b) and (c) in each main question.
(iii) Total marks in each main question are
twenty.
(iv) Each sub-question carries 10 marks.

P. T. O.

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1. (a) The books of Vicco Ltd. submit the following information on 31st December 2022 :

(CO1)

₹

Direct labour cost (160% of factory overhead)	64,000
Cost of Goods sold	2,24,000
Opening balance of Raw Material	32,000
Closing balance of Raw Material	34,400
Opening balance of W.I.P.	32,000
Closing balance of W.I.P.	48,000
Opening balance of Finished Goods	56,000
Closing balance of Finished Goods	72,000
Raw Material purchased	1,44,000
General and Administration expenses	10,400
Selling expenses for the year	13,600
Sales for the month	3,00,000

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Calculate the profit/loss by preparing a cost sheet for the year 2022.

- (b) Discuss, how relevant is Cost Accounting to the manufacturing organization. (CO1)
- (c) From the following particulars, prepare a Cost Sheet showing the total cost per tonne for the period ended 31st March 2023 : (CO1)

Particulars	Amount (₹)
Raw Materials	33,000
Direct Wages	38,000
Indirect Wages	10,500
Factory rent and taxes	7,500
Factory lighting	2,200
Factory heating	1,500
Sundry office expenses	200
Office Stationery	900
Depreciation on Plant and Machinery	2,000
Rent and Taxes (Office)	500
Factory Insurance	1,100

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Office Insurance	500
Bad debts	100
Advertising	300
Sales-Department Salaries	1,500
Upkeep of delivery vans	700
Commission on sales	1,500
Depreciation on Delivery van	200

The total output for the period has been 14,000 tonnes.

2. (a) Write short notes on any *two* of the following : (CO2)

- (i) Bin Card
- (ii) Replacement Price Method and Standard Price Method
- (iii) Advantages of ABC analysis

- (b) Calculate : (CO2)

- (i) Re order Stock level
- (ii) Maximum Stock level
- (iii) Minimum Stock level
- (iv) Average Stock level

Normal usage : 4,000 units per day

Minimum usage : 2,400 units per day

Maximum usage : 5,200 units per day

E.O.Q. : 2,00,000 units

Re order period : 25-30 days

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- (c) Ganpati stores provide these accounting records in respect to store, prepare stores ledger account from the following transactions under the Weighted average method, and calculated the closing stock as on 30th September : (CO2)

Date	Particulars	Units	Cost rate (₹)
February 1	Purchased	1000	20
February 12	Purchased	500	30
March 20	Issued	950	—
April 4	Purchased	200	25
April 22	Purchased	150	32
May 18	Issued	310	—
June 22	Issued	120	—
July 20	Purchased	250	25
August 25	Issued	190	—
September 15	Issued	100	—

3. (a) Discuss the Halsey Premium Plan and Rowan Premium Plan under Individual Bonus Scheme with suitable examples and discuss the most suitable plan for the company. (CO3)

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(b) Write short notes on the following
(any two) : (CO3)

(i) Fringe Benefits

(ii) Accounting for Idle Time and
Overtime

(iii) Labour Turnover

(c) The Personnel Department of ABC Ltd.
provides the following information about
the labour-force, calculate the labour
turnover rate by applying : (CO3)

(i) Separation Method

(ii) Replacement Method

(iii) Flux Method

Number of workers on the payroll :

At the beginning of the month : 3600

At the end of the month : 4400

During the month 40 workers left, 160
persons were discharged and 600 workers
were recruited, out of these 100 workers
are required in the vacancies of those
leaving, while the rest were engaged for an
expansion scheme.

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4. (a) The Service departments Y and Z have
overheads of ₹ 4,000/- and ₹ 8,000/-
respectively, to be apportioned on inter-
service departmental basis on the basis of
percentage given in the chart below :

(CO4)

Find out the total overheads of production
department of M, N and O assuming the
total overheads of M, N and O being
₹ 16,000, ₹ 12,000 and ₹ 8,000
respectively before distribution :

Departments	Production Dept. (M)	Production Dept. (N)	Production Dept. (O)	Service Dept. (Y)	Service Dept. (Z)
Y	20%	30%	40%	10%
Z	30%	30%	20%	20%
Total Overheads	₹ 16,000	₹ 12,000	₹ 8,000	₹ 4,000	₹ 8,000

(b) From the given information, compute
machine hour rate for machine no. 5 from
the following data : (CO4)

(i) Cost : ₹ 44,000

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- (ii) Scrap Value : ₹ 4,000
- (iii) Life : 20,000 hours
- (iv) Repairs and Maintenance for the entire life : ₹ 20,000
- (v) Standing charges for the shop for a month of 25 working days : ₹ 2,000
- (vi) Working hours per day : 8 hours
- (vii) No. of machines in the shop : 10
- (viii) Power used per machine per month : ₹ 3,200

(c) Write short notes on the following (any two) : (CO4)

- (i) Allocation and Absorption of overheads
 - (ii) Treatment of Interest on Capital
 - (iii) Research and Development
5. (a) Product Q passes through three distinct processes to completion 20,000 units were introduced in process A (valued at

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₹ 1,00,000). Following are the expenses in respect to the process : (CO5)

Particulars	Process A	Process B	Process C
Machine Expenses (₹)	10,000	8,000	3,000
Labour (₹)	40,000	60,000	50,000
Direct Expenses (₹)	22,000	32,800	9,200
Normal Wastage	5%	10%	5%
Scrap Value per unit (₹)	2	4	5
Actual Output	18,000 units	16,000 units	15,400 units

Prepare process account showing the cost of output and cost per unit at each stage of manufacturing.

- (b) Jubilant Ltd. undertook a contract for ₹ 200,000 which was completed in six months. Following expenditure was made by the contractors to complete the contract : (CO5)

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Direct Materials	₹ 76,000
Wages	₹ 44,000
Special Plant	₹ 40,000
Stores Issued	₹ 14,000
Loose Tools	₹ 6,000
Running cost of Tractor :	
Running materials	₹ 3,200
Wages of driver etc.	₹ 8,800
Other direct expenses	₹ 4,000

On completion of the contract, the plant was returned subject to depreciation on 10% on the original cost.

The value of loose tools and stores returned ₹ 4,800 and ₹ 2,000 respectively.

The value of the tractor was ₹ 1,00,000 and depreciation was to be charged for this contract @ 16% p.a. The amount of administration expenses to be charged to the contract is calculated at the rate of

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10% on total works cost. Prepare the contract A/c and the Contractee's A/c assuming that the amount due from the Contractee was duly received.

(c) Write short notes on the following : (CO5)

- (i) Normal and Abnormal Loss and its accounting treatment
- (ii) Contract costing

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