

(i) Printed Pages : 7]

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(ii) Questions : 9]

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**Bachelor of Commerce 3rd Semester  
Examination**

**1127**

**COST ACCOUNTING**

**Paper : BCM-302**

**Time : 3 Hours]**

**[Max. Marks : 80**

**Section-A**

**Note :-** Students are required to attempt four parts from this Section. Each part carries 5 marks.

1. (a) Write a note on Allocation and Apportionment of overheads to cost centres.
- (b) Compute the (i) re-order level (ii) minimum level (iii) maximum level (iv) average stock level for component A and B based on the following data :

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Turn Over

	A	B
Maximum consumption per week (units)	450	450
Average consumption per week (units)	300	300
Minimum consumption per week (units)	150	150
Re-order period (weeks)	3 to 5	2 to 4
Re-order quantity (units)	1800	2500

- (c) Calculate the earnings of worker A and B under straight piece-rate system and Taylor's differential piece-rate system from the following data :

Normal rate per hour Rs. 1.80, standard time per unit 20 seconds. Differentials to be applied as follows : 80% of piece rate below standard and 120% of piece rate at or above the standard piece rate. Worker A produces 1300 units per day and worker B produces 1500 units per day..

- (d) Determine the fixed and variable overheads and find out total manufacturing overheads for an activity level of 4,00,000 machine hours using the following data :

Maximum machine hours 9,00,000, Minimum machine hours 4,00,000, Manufacturing overheads for 9,00,000 hours Rs 60 lakhs and for 4,00,000 hours Rs 45 lakhs.

- (e) Calculate machine hour rate from the following data :

- (i) Purchase price of the machine :

Rs. 1,95,0000

- (ii) Incidental and installation charges :

Rs. 5,000

- (iii) Repair : 40% of depreciation

- (iv) Consumption of power : 10 units per hour

@ 12 paise per unit

(v) Lubricating oil : @ Rs. 2.50 per day of 8 hours

(vi) Consumable stores : Rs. 12 per day of 8 hours

(vii) Wages of machine operator : Rs. 4.25 per day of 8 hours

There is no residual value of the machine.

(f) Write a note on Integral Accounting.

### **Section-B**

**Note :-** Students are required to attempt *two* questions from this Section. Each question carries 15 marks.

2. Define Cost Accounting and explain its scope and advantages.

3. Discuss the procedure normally followed by the purchase department to buy materials.

4. The receipts and issues of material for the month of January 2016 are given below :

Receipts :

Jan. 1	Opening Balance, 500 units @ Rs 4.25
Jan. 5	200 units @ Rs. 4.30
Jan. 12	150 units @ Rs. 4.15
Jan. 20	300 units @ Rs. 4.00
Jan. 25	400 units @ Rs 4.20

Issues :

Jan. 4 – 250 units, Jan. 10 – 300 units, Jan. 15 – 100 units, Jan. 19 – 100 units, Jan. 26 – 200 units, Jan. 30 – 250 units.

Issues are to be priced on the principle of FIFO.

Write out the Stores Ledger Account.

5. Calculate the hourly rate of wages under Halsey Premium Bonus system from the data given below :

Standard time allowed 60 hours

Hourly rate of guaranteed wages Rs. 0.75 per hour

Actual rate that worker gets under Rowan Premium Bonus System because of saving in time Rs. 0.90.

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Turn Over

### Section-C

**Note** :- Students are required to attempt *two* questions from this Section. Each question carries 15 marks.

6. Prepare Cost Sheet from the following data :

Particulars	Rs.
Opening stock : (a) Raw materials	1,50,000
(b) Finished Products	25,000
Purchases	2,00,000
Factory wages	3,70,000
Factory overheads	80,000
Office overheads	45,000
Closing stock :	
(a) Raw materials	19,000
(b) Finished goods	1,61,000
Sales	7,70,000
At the end of the year, units produced and sold	4,000
Increase in the price of raw material	15%
Increase in the price of labour	10%

Prepare the statement of estimated price of 1,500 units assuming that same percentage of the profits on cost will be made.

7. Prepare (a) Cost Sheet (b) Profit and Loss Account and (c) Reconciliation Statement from the following data :

- (i) Works overheads are 50% of wages
- (ii) Office overheads are 30% of works cost
- (iii) Materials consumed Rs. 2,00,000 wages Rs. 1,50,000, Factory expenses Rs. 1,00,000, Office expenses Rs. 85,000
- (iv) 10% of the output is in stock at the end and sales are Rs. 5,30,000.

8. Explain the meaning and methods of the classification of the manufacturing overheads.

9. What is the meaning of reconciliation of cost and financial statements ? Discuss the methods of reconciliation.