

TDC (CBCS) Even Semester Exam., 2024

COMMERCE

(4th Semester)

Course No. : COMDSC-402T

(Cost Accounting)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

UNIT—I

1. Answer any four of the following as directed :

1×4=4

**(a) Aggregate of all direct costs is known as
_____.**

(Fill in the blank)

(b) Cost centre and cost unit are the same.

(Write True or False)

- (c) What is elements of cost?
- (d) Distinguish between direct cost and indirect cost.
- (e) Define period cost.

2. Answer any one of the following questions : 2

- (a) Name four cost centres in an organization.
- (b) Mention two objectives of Cost Accounting.

3. Answer any one of the following questions : 8

- (a) From the following particulars, prepare a Cost Statement showing the component of total costs and the profit for the year ended 31.03.2024 :

	01.04.2023	31.03.2024
	₹	₹
Stock of finished goods	6,000	15,000
Stock of raw materials	40,000	50,000
Work-in-progress	15,000	10,000
	₹	
Purchase of raw materials	4,75,000	
Carriage inward	12,500	
Wages	1,75,000	

(Continued)

	₹
Works Manager's salary	30,000
Factory employees salary	60,000
Factory rent, taxes and insurance	7,250
Power expenses	9,500
Other production expenses	43,000
General expenses	32,500
Sales for the year	8,60,000
Income tax	500
Dividend	1,000
Debenture interest	5,000
Transfer of sinking fund for replacement of machinery	10,000
Goodwill written off	10,000
Payment of sales tax	16,000
Selling expenses	9,250

- (b) "Cost Accounting is an aid to the management."

In the light of the above statement, discuss how Cost Accounting helps in planning, controlling and decision making.

(4)

UNIT—II

4. Answer any *four* of the following as directed :

1×4=4

(a) Bin card is a record of _____ only.

(Fill in the blank)

(b) Value of closing inventory under FIFO and LIFO methods is the same.

(Write True or False)

(c) What is ordering cost?

(d) What is EOQ?

(e) What is reordering level?

5. Answer any *one* of the following questions : 2

(a) What is the basic idea behind Taylor's differential piece-rate system?

(b) Give the formula of calculation of wages under Halsey premium system and Rowan premium system.

(5)

6. Answer any *one* of the following questions : 8

(a) Following information relating to a type of material is available :

Annual demand—2400 units

Unit price—₹ 2.40

Ordering cost per order—₹ 4.00

Storage cost—2% per annum

Interest rate—10% per annum

Lead time—Half month

Calculate Economic Order Quantity and Total Annual Inventory Cost in respect of the particular material. 4+4=8

(b) During the first week of April 2024, the workman Mr. Kaylan manufactured 300 articles. He receives wages for a guaranteed 48-hour week at the rate of ₹ 4 per hour. The estimated time to produce one article is 10 minutes and under incentive scheme the time allowed is increased by 20%.

Calculate his gross wages according to—

(i) Piece-work with a guaranteed weekly wage;

(ii) Rowan premium bonus;

(iii) Halsey premium bonus 50% to workman.

UNIT—III

7. Answer any four of the following as directed :
1×4=4

- (a) Under-absorption of overhead due to faulty management should be charged to ____.

(Fill in the blank)

- (b) Fixed overhead cost per unit remains fixed when output level changes.

(Write True or False)

- (c) Define overhead.

- (d) What is idle time?

- (e) Define machine hour rate.

8. Answer any one of the following questions : 2

- (a) What is the difference between allocation and apportionment of overhead?

- (b) Mention two treatments of advertisement expenditure in Cost Accounting.

9. Answer any one of the following questions : 8

- (a) Compute the Machine Hour Rate from the following data :

(i) Cost of machine—₹ 1,00,000

(ii) Installation charges—₹ 10,000

(iii) Rent and rates per month—₹ 200

(iv) Estimated scrap value of the machine after the expiry of its life (15 years)—₹ 5,000

(v) General lighting per month—₹ 300

(vi) Insurance premium for the machine per annum—₹ 960

(vii) Repair and maintenance for the machine per annum—₹ 1,000

(viii) Power consumption 10 units per hour

(ix) Rate of power per 100 units—₹ 20

(x) Estimated working hours per annum 2200 hours; this includes setting up time of 200 hours

(xi) Supervisor's salary per month—₹ 600

(xii) The machine occupies $\frac{1}{4}$ th of the total area; supervisor is expected to devote $\frac{1}{4}$ th of his time for supervising the machine

- (b) What is absorption of overhead?
Discuss the different methods for the
absorption of factory overhead. 3+5=8

UNIT—IV

10. Answer any four of the following as directed :

1×4=4

- (a) _____ costing method is applicable for
dairy industry.
(Fill in the blank)
- (b) In toy manufacture, job costing should
be used.
(Write True or False)
- (c) What is a job cost sheet?
- (d) State the meaning of escalation clause
in contract costing.
- (e) Write the formula for valuation of
abnormal loss in process costing.

11. Answer any one of the following questions : 2

- (a) State any two differences between job
costing and process costing.
- (b) State two special features of job costing.

12. Answer any one of the following questions : 8

- (a) The following was the expenditure on a
contract for ₹ 24,00,000 commenced in
April 2023 :

	₹
Materials	4,80,000
Labour	6,56,000
Plant	80,000
Overheads	34,400
Work Uncertified	16,000

Cash received on account of the
contract on 31st March, 2024 was
₹ 9,60,000 being 80% of the work
certified. The value of the materials in
hand was ₹ 24,000. Materials destroyed
during the year ₹ 600. The plant had
undergone 20% depreciation under
original cost method.

Prepare a Contract A/c.

- (b) What is process costing? Name four
industries in which process costing is
used. Discuss the advantages of process
costing. 3+2+3=8

(10)

UNIT—V

13. Answer any *four* of the following as directed :

1×4=4

(a) Cost and Financial A/cs are reconciled under non-integral accounting.

(Write True or False)

(b) Cost Ledger Control A/c always has a credit balance.

(Write True or False)

(c) Control Ledger A/c provides _____ leading to greater accuracy of records.

(Fill in the blank)

(d) What do you mean by Integrated A/c?

(e) State any one need of reconciliation of cost and financial accounts.

14. Answer any *one* of the following questions : 2

(a) Distinguish between cost control and cost reduction.

(b) State any two items of expenses or losses.

(11)

15. Answer any *one* of the following questions : 8

(a) In a factory, works overheads are absorbed at 60% of labour cost and office overheads at 20% of works cost.

Prepare (i) Cost Sheet, (ii) Profit & Loss A/c and (iii) Reconciliation Statement if total expenditure consists of material ₹ 4,00,000; wages ₹ 3,00,000; factory expenditure ₹ 2,00,000; office expenses ₹ 1,70,000.

10% of the output (cost of production) is stock at the end and sales are ₹ 10,40,000.

2+3+3=8

(b) What is Reconciliation Statement? State the reasons for the difference between the profit shown in the Cost Accounts and those shown in the financial statements (accounts) of an industrial organization.

3+5=8
