

**2022/TDC (CBCS)/EVEN/SEM/  
COMHCC-401T/140**

**TDC (CBCS) Even Semester Exam., 2022**

**COMMERCE**

**( Honours )**

**( 4th Semester )**

**Course No. : COMHCC-401T**

**( Cost Accounting )**

Full Marks : 70

Pass Marks : 28

*Time : 3 hours*

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

**SECTION—A**

**Answer any ten of the following questions :**

**2×10=20**

- 1. What is meant by Cost Control?**
- 2. Mention any two advantages of Cost Accounting.**
- 3. Mention the different elements of cost.**

( 2 )

4. Briefly explain the term EOQ.
5. What is Bin Card System?
6. Mention the two principal wage systems.
7. What is meant by semi-variable cost or overhead?
8. Mention two differences between Cost Allocation and Cost Apportionment.
9. What is meant by absorption of overheads?
10. How is a job cost sheet prepared?
11. What is meant by joint product and by-product in process costing?
12. How much of Notional Profit is to be transferred to Profit & Loss A/c in an incomplete contract work?
13. What is Costing Profit & Loss A/c?
14. What is meant by abnormal loss, that is debited to Costing Profit & Loss A/c?
15. What is meant by Integrated Ledger?

( 3 )

## SECTION—B

Answer any *five* of the following questions :

10×5=50

16. Mr. Sethi furnishes the following data relating to the manufacture of a standard product during the month of April 2022 :

Raw Materials consumed—₹ 15,000

Direct Labour charges—₹ 9,000

Machine Hours worked—900

Machine Hour rate—₹ 5.00

Administrative Overheads—20% on Works Cost

Selling Overheads—₹ 0.50 per unit

Units produced—17100

Units sold—16000 at ₹ 4.00 per unit

Prepare a Cost Sheet from the above information and find out profit for the period. 10

17. Differentiate between Cost Accounting and Financial Accounting. 10
18. The following transactions occur in the purchase and issue of a material :
 

January	19	:	Purchased—100 at ₹ 5.00 each
February	4	:	Purchased—25 at ₹ 5.25 each
"	12	:	Purchased—50 at ₹ 5.50 each
"	12	:	Issued—80

( 4 )

March 6 : Purchased—50 at ₹ 5.50 each  
 " 20 : Issued—80  
 " 27 : Purchased—50 at ₹ 5.75 each

Prepare a Stores Ledger under LIFO method and get the closing stock on 31st March. 10

19. On the basis of the information, calculate the earnings of A and B under Straight Piece Rate System and Taylor's Differential Piece Rate System : 5+5=10

Standard production—8 units per hour

Normal time rate—₹ 0.40 per hour

Differentials to be applied :

80% of piece rate below standard

120% of piece rate at or above standard

In a nine-hour day, A produces 54 units and B produces 75 units.

20. Discuss the treatment of the following items in Cost Accounting (any two) : 5×2=10

(a) Bad Debts

(b) Packing Expenses

(c) Research and Development Expenses

( 5 )

21. Calculate Machine Hour Rate from the following : 10

(i) Cost of machine—₹ 19,200

(ii) Estimated scrap value—₹ 1,200

(iii) Average repairs and maintenance charges per month—₹ 150

(iv) Standing charges allocated to machine per month—₹ 50

(v) Effective working life of machine—10000 hours

(vi) Running time per month—166 hours

(vii) Power used by machine—5 units per hour @ 19 paise per unit

22. A product is obtained after passing it through three processes. The following information is collected for January 2022 :

	Process		
	I	II	III
Direct Materials (₹)	5,200	3,960	5,924
Direct Wages (₹)	4,000	6,000	8,000
Output in units during the month	950	840	750
Normal loss	5%	10%	15%
Value of scrap per unit (₹)	4	8	10

( 6 )

*Additional Information :*

1000 units at ₹ 6 each were introduced in Process—I. There was no stock of materials or work-in-progress at the beginning or at the end of that month. The production overhead was ₹ 18,000 for that month

Prepare Process A/cs. 10

23. The following was the expenditure on a contract for ₹ 6,00,000 commenced in May 2021 :

	₹
Materials	1,20,000
Wages	1,64,400
Plant	20,000
Business Charges	8,600

Cash received on account to 31st March, 2022 amounted to ₹ 2,40,000 being 80% of the work certified. The value of materials in hand on 31st March, 2022 was ₹ 10,000

Prepare the Contract A/c for the year 2021-22 showing the profit to be credited to the year's Profit & Loss A/c. Plant is to be depreciated at 10%. 10

24. Discuss the reasons of disagreement of Net Profit according to Financial Profit & Loss A/c and Costing Profit & Loss A/c. 10

( 7 )

25. The financial books of a company show a net profit of ₹ 2,57,510 for the year ending 31st December. The cost accounts show a net profit of ₹ 3,44,800 for the same corresponding period. The following facts are brought to light :

	₹
Under-recovery of factory overheads in cost accounts	6,240
Over-recovery of overheads in cost accounts	3,400
Depreciation in financial accounts	22,400
Depreciation in cost accounts	25,000
Interest on investments not included in costs	16,000
Loss of obsolescence charged in financial accounts	11,400
Income tax debited in financial accounts	80,600
Bank interest and dividend credited to financial accounts	2,450
Loss in stock not charged in cost accounts	13,500

Prepare a Reconciliation Statement. 10

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