

**2022/TDC (CBCS)/EVEN/SEM/  
COMDSC-402T/145**

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

**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*

**SECTION—A**

**Answer any *twenty* of the following as directed :**

**1×20=20**

- 1. Which method of costing would you adopt for Road Transport Co.?**
- 2. State one reason for adopting process costing by a manufacturing concern.**

( 2 )

3. The method of costing can only be applied in case of manufacturing concern only.

(Write True or False)

4. What is work cost?

5. \_\_\_\_\_ is the main function of cost accounting.

(Fill in the blank)

6. What is inventory?

7. Where does a Stores Ledger Account maintained?

8. What is idle time?

9. LIFO method of pricing issues is useful during the period of inflation.

(Write True or False)

10. \_\_\_\_\_ shows the quantity of materials only.

(Fill in the blank)

11. Define overhead.

12. State the formula for calculating predetermined overhead rate.

13. Give an example of distribution overhead.

( 3 )

14. Allotment of overhead to cost units is known as absorption.

(Write True or False)

15. Overhead is the \_\_\_\_\_ of indirect materials, indirect wages and indirect expenses.

(Fill in the blank)

16. What is abnormal loss?

17. What is job card?

18. Name one field where contract costing is used.

19. Job order costing is a form of specific order costing.

(Write True or False)

20. In contract costing, payment of cash to the contractor is made on the basis of \_\_\_\_\_ work.

(Fill in the blank)

21. Mention two items of expenses or losses which are shown in financial Profit & Loss A/c but not in costing Profit & Loss A/c.

22. Give one feature of integral accounting.

( 4 )

23. What is work-in-progress ledger?
24. Costing Profit & Loss A/c includes all items of financial nature.  
(Write True or False)
25. \_\_\_\_\_ of records is avoided under integral accounting system.  
(Fill in the blank)

## SECTION—B

Answer any *five* of the following questions :  $2 \times 5 = 10$ 

26. Mention any two objectives of cost accounting.
27. State any two differences between direct and indirect expenses.
28. What is perpetual inventory system?
29. Distinguish between straight piece rate system and differential piece rate system.
- 30.3 Mention two bases of classification of overheads.
31. What is meant by allocation and apportionment of overheads?

( 5 )

32. Define job costing and mention the industries where job costing is employed.
33. Write the formula for valuation of abnormal loss and abnormal gain in process costing.
34. What do you mean by reconciliation of cost and financial accounts?
35. Mention any two advantages of integral accounting.

## SECTION—C

Answer any *five* of the following questions :  $8 \times 5 = 40$ 

36. Discuss the essential factors to be considered while designing installation of cost accounting system.
37. Classify costs according to elements and functions with three examples of each.
38. Chelpark Company buys its annual requirement of 36000 units in six installments. Each unit cost is ₹ 1 and the ordering cost is ₹ 25. The inventory carrying cost is estimated at 20% of unit value. Find the total annual cost of the existing inventory policy. How much money can be saved by using economic order quantity?  $4+4=8$

( 6 )

39. Using the following data, illustrate the Halsey and the Rowan premium bonus systems bringing out their comparative merits and demerits :

Time allowed—48 hours

Time taken—40 hours

Rate per hour—₹ 1

(Mention only two comparative merits and demerits.) 4+4=8

40. Explain the various bases of apportionment of overheads to departments with illustrations as to the items of expenses.

41. From the following particulars, compute a comprehensive machine hour rate :

- (i) Cost of machine ₹ 1,00,000; estimated life 15 years; scrap value ₹ 10,000
- (ii) Machine running hours 2040 hours per machine per annum including idle time of 40 hours due to repairs and maintenance and breakdown of machine
- (iii) Power consumption of the machine per hour 20 units, rate of power per 100 units ₹ 80
- (iv) There are two operations in the shop and wages of an operator who is in charge of two machines ₹ 12,000 p.a.

( 7 )

- (v) Rent, rates and taxes of the shop ₹ 4,800 p.a.
- (vi) Insurance premium for the machine ₹ 400 per quarter
- (vii) General lighting per month ₹ 600
- (viii) Repairs and maintenance expenses per month ₹ 400 per machine
- (ix) Shop supervisor's salary per month ₹ 1,500
- (x) Other factory overhead allocated to the shop ₹ 6,000 p.a.

There are four identical machines in the shop. The supervisor devotes  $\frac{1}{5}$  of his time for supervising the machine.

42. The accounts of Pleasant Co. Ltd. show for 2021 :

Materials—₹ 3,50,000

Labour—₹ 2,70,000

Factory overheads—₹ 81,000

Administrative overheads—₹ 56,080

What price should the Co. quote for a refrigerator? It is estimated that ₹ 1,000 in material and ₹ 700 in labour will be required for one refrigerator. Absorb factory overheads on the basis of labour and administration overheads on the basis of work cost. A profit of  $12\frac{1}{2}\%$  on selling price is required.

( 8 )

43. The following information is available in respect of process A of product X :

Input 5000 units at a cost—₹ 25,000  
 Process material added—₹ 12,000  
 Direct labour—₹ 8,000  
 Overheads—₹ 3,000  
 Output of process A—4300 units  
 Normal wastage—5% of the input  
 Scrap value of wastage—₹ 200 per unit

Prepare Process A A/c.

44. SKY Ltd. disclosed a profit of ₹ 1,53,830 in the financial books and for the same period, the Cost Account disclosed a profit of ₹ 89,370 only. On examination, the following differences were observed :

<i>Particulars</i>	<i>CA</i> ₹	<i>FA</i> ₹
Depreciation	86,500	98,800
Bad debts	—	2,500
Opening stock	2,25,850	2,14,930
Closing stock	1,64,350	1,76,550
Bad debts recovered	—	1,200
Profit on sale of machinery	—	10,600
Dividend received	—	15,800
Imputed rent charge	28,000	—

Reconcile the profits as shown by both the sets of books of accounts.

45. Discuss the advantages of integral accounting system.

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