

**2023/TDC (CBCS)/EVEN/SEM/
COMDSC-402T/403**

TDC (CBCS) Even Semester Exam., 2023

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 printing press?**
- 2. Mention one objective of Cost Accounting Information System.**
- 3. The scope of Cost Accounting includes cost ascertainment, cost presentation and cost control.**

(Write True or False)

(2)

4. Cost unit in a college may be a _____.
(Fill in the blank)
5. Define cost accounting.
6. What is wastage of materials?
7. What is overtime?
8. Idle time arises only when workers are paid on time basis.
(Write True or False)
9. Material should be issued by the storekeeper against _____.
(Fill in the blank)
10. What is Bin Card?
11. What is indirect overhead?
12. What is under-absorption of overhead?
13. Variable overhead cost is a period cost.
(Write True or False)
14. Basis of apportionment of welfare development expenses is _____.
(Fill in the blank)

(3)

15. Give one example of factory overhead.
16. What is job costing?
17. What is process costing?
18. Most of the items of costs are direct in contract costing than in job costing.
(Write True or False)
19. When the completion stage of a contract is less than $\frac{1}{4}$, the total expenditure on the contract is transferred to ____ A/c.
(Fill in the blank)
20. Write the formula for valuation of abnormal gain in process costing.
21. Give one example of cost reduction.
22. Name one feature of integral costing.
23. Cost reduction should not be done by arbitrary cost slashing.
(Write True or False)

(4)

24. The need of reconciliation arises _____
accounting system.

(Fill in the blank)

25. Give examples of two items of expenses which are included in cost accounts but not in financial accounts.

SECTION—B

Answer any *five* of the following questions :

2×5=10

26. Name any two basic methods of costing.
27. State any two similarities between Cost Accounting and Management Accounting.
28. Write the formula of maximum stock level.
29. What is EOQ?
30. Are high overhead costs an indication of inefficiency? Comment.
31. Give any two advantages of departmentalization of overhead expenses.
32. Distinguish between Contract Costing and Process Costing.
33. State any two features of Contract Costing.

(5)

34. Mention two advantages of integral accounting.

35. How can you avoid reconciliation of cost and financial accounts?

SECTION—C

Answer any *five* of the following questions :

8×5=40

36. Distinguish between Financial Accounting and Cost Accounting.

37. The accounts of RK Manufacturing Company for the year ended 31st March, 2023 show the following :

	₹		₹
Salaries :		Travelling Expenses	2,100
Office	6,500	Productive Wages	1,26,000
Factory	12,600	Travellers Salary	
Carriage Outward	4,300	and Commission	7,700
Carriage on Purchases	7,150	Depreciation :	
Bad Debts written off	6,500	Plant & Machinery	6,500
Repairs of Plant &		Furniture	300
Machinery, etc.	4,450	Director's Fees	6,000
Rent, Rates & Taxes :		Gas & Water	1,600
Factory	8,500	Manager's Salary	
Office	2,000	($\frac{3}{4}$ factory and	
Sales	4,61,100	$\frac{1}{4}$ office)	10,000
Stock of Materials :		General Expenses	3,400
On 01.04.2022	62,800	Income Tax	500
On 31.03.2023	48,000	Dividend	1,000
Materials Purchased	1,85,000		

(6)

Prepare a Cost Statement giving the following information :

- (a) Prime Cost
- (b) Factory Cost
- (c) Cost of Production
- (d) Cost of Goods Sold
- (e) Profits

38. Draw store's ledger account under FIFO method from the following :

01.01.2023 : Stock of materials—5000 units at ₹ 5 per unit

05.01.2023 : Issued to Job No. 111—4000 units

10.01.2023 : Purchased—2000 units at ₹ 6 per unit

15.01.2023 : Received back into stores 100 units issued on 05.01.2023

20.01.2023 : Stock verification showed surplus of 100 units

39. Calculate the earnings of workers A and B under straight piece rate system and Taylor's differential piece rate system from the following particulars :

Normal rate per hour—₹ 180

Standard time per unit—20 seconds

(7)

Differential to be applied :

80% of the piece below standard

120% of the piece rate at or above standard

Worker A produces 1300 units per day and worker B produces 1500 units per day

40. Discuss the necessity for classification of overhead into fixed and variable.

41. A company's production and other details for the year ended 31.03.2023 are given below :

Items	Production Dept.			Office	Store	Work-shop	Total
	P ₁	P ₂	P ₃				
Direct wages (₹)	20000	25000	30000	—	—	—	75000
Direct materials (₹)	30000	35000	45000	—	—	—	110000
Indirect materials (₹)	2000	3000	3000	1000	2000	2000	13000
Indirect wages (₹)	3000	3000	4000	10000	10000	5000	35000
Area in sq. mts.	200	250	300	150	100	250	1250
Book value of machinery	30000	35000	25000	—	—	15000	105000
Total HP of machinery	15	20	25	—	—	5	65
Machine hours worked	10000	20000	15000	—	—	5000	50000

(8)

General Expenses :

Rent—₹ 12,500

Insurance—₹ 1,050

Depreciation—15% of Value of Machinery

Power—₹ 3,800

Light—₹ 1,250.

You are required to prepare an overhead analysis sheet for the departments showing clearly the basis of apportionment wherever necessary.

42. As newly appointed Cost Accountant, you find the selling price of Job No. 1250 has been calculated on the following basis :

	₹
Materials	12.08
Direct Wages—22 hours at 25 paise per hour	5.50
Prime Cost	17.58
Add : $33\frac{1}{3}\%$ on Prime Cost	5.86
	<u>23.44</u>

An analysis of the previous year's Profit & Loss A/c shows the following :

	₹		₹
Material used	77,500	Factory Overheads :	
Direct Wages :		A	2,500
A	5,000	B	4,000
B	6,000	C	1,000
C	4,000	Selling Cost	30,000

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(Continued)

(9)

You are required to (a) draw a Job Cost Sheet and (b) calculate and enter the revised costs using the previous year's figures as a basis.

Add 10% of the total job cost for profit and give the final selling price.

43. The product of a manufacturing concern passes through two processes A and B and then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap which from processes A and B realizes ₹ 80 per ton and ₹ 200 per ton respectively.

The following are the figures relating to both the processes :

	Process—A	Process—B
Materials (in tons)	1000	70
Cost of Materials per ton (₹)	125	200
Wages (₹)	28,000	10,000
Manufacturing expenses (₹)	8,000	5,250
Output (in tons)	830	780

Prepare Process Cost A/cs showing cost per ton of each process. There was no stock or work-in-progress in any process.

44. Distinguish between Cost reduction and Cost control. What are the major areas in which cost reduction is usually possible? 5+3=8

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(Turn Over)

45. Prepare undernoted statements, from the particulars given below—

(a) Statement of Profit as per Cost A/c;

(b) Profit & Loss A/c;

(c) Reconciliation Statement :

Stock in the beginning :

Raw Materials—₹ 8,000

Finished Goods—₹ 16,000

Purchase of Raw Materials—₹ 48,000

Wages—₹ 20,000

Office Expenses—₹ 12,200

Work Expenses—₹ 15,500

Sales—₹ 1,30,000

Stock at the end :

Finished Goods—₹ 4,000

Raw Materials—₹ 12,000

Profit is fixed at 20% of Selling Price

Factory Overhead at 25% of Prime Cost

Office Overhead at 75% of Factory Overhead

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