

END TERM EXAMINATION
 THIRD SEMESTER [B.COM (HONS.) JANUARY 2023]
 Paper Code: BCOM-201 Subject: Cost Accounting
 Time: 3 Hours Maximum Marks: 75
 Note: Attempt five questions in all including Q. No. 1 which is compulsory.

Q1 Write short notes on the followings (Any five) (3x5=15)

- VED Analysis
- Differential piece wage system
- Machine Hour Rate
- Chargeable Expenses
- Activity Based Costing
- Abnormal Gain
- Cost Plus Contract

Q2 "Costs may be classified in a variety of ways including according to their nature and information needs of the management". Explain and discuss this statement giving examples of classification required for different purposes. (15)

Q3 From the following particulars, you are required to prepare a Cost Sheet (15)

Rs.

- Productive wages ... 50,000
- Raw materials ... 35,000
- Administrative expenses ... 10,000
- Direct Expenses ... 7,500 Light and water ... 2,500
- Depreciation ... 1,500
- Factory Rent ... 2,000
- Indirect labour ... 25,000
- Factory repairs ... 2,500
- Selling and distribution Overheads ... 4,000
- Sales ... 1,50,000

Q4 Excel Ltd. took a road construction contract in the year 2021. The contract price was Rs. 10,00,000. At the end of 2021, the company has received Rs. 3,60,000 being 90 per cent of work certified. Work yet to be certified on the same day cost Rs. 10,000. Expenditure incurred on the contract during the year was as follows: Materials Rs. 50,000, Labour Rs. 3,00,000, Plant Rs. 20,000. Materials costing Rs. 5,000 were damaged and had to be disposed of for Rs. 1,000. The plant is considered as having depreciated by 25 per cent. Prepare contract account for 2021 in the books of Excel Ltd. showing profits to be credited to Profit and Loss account for 2021. (15)

Q5 Define "Overheads". Give their classification. Explain the fixed, variable and semi-variable overheads in detail with suitable examples. (15)

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Q6 A product is completed in three consecutive processes. During a particular month the input to Process I of the basic raw material was 5,000 units at 2 per unit. Other information for the month was as follows:

Particulars	Process I	Process II	Process III
Output (units)	4,700	4,300	4,050
Normal loss (as % of input)	5%	10%	5%
Scrap value per unit (Rs.)	1	5	6
Direct wages (Rs.)	3,000	5,000	8,000
Direct Expenses (Rs.)	9,750	9,910	15,560

Overhead Rs. 32,000 total, chargeable as percentage of direct wages. There were no opening or closing work-in-progress stocks. Compile three process and finished stock account with details of abnormal loss and gain, where applicable. (15)

Q7 (a) The following transactions took place in respect of material X during the month of January 2020:

- Jan 1 - Opening stock 50 tons at Rs. 1000 per ton
- Jan 2 - Issued 30 tons
- Jan 6 - Received 60 tons at Rs. 1100 per ton
- Jan 9 - Issued 25 tons (Stock verification reveals loss of one ton)
- Jan 10 - Received back from orders 10 tons (previously issued at Rs. 990 per ton)
- Jan 11 - Issued 40 tons
- Jan 22 - Received 22 tons at Rs. 1200 per ton
- Jan 31 - Issued 33 tons

You are required to write up the stores ledger Account under the LIFO Method.

(b) A company estimates its carrying costs at 15% and its ordering costs at Rs. 9 per order. The estimated annual requirement is 48,000 units at a price of Rs. 4 per unit.

Required:

- What is the most economical number of units to order? (7)
- How many orders should be placed in a year? (8)

Q8 (a) Objectives of Cost Accounting (7)
 (b) How bonus is calculated under: (i) Halsey plan (ii) Rowan Plan (8)

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