



**SB-0434**

**Second Year B. Com. (Honours) Examination**

**March / April – 2011**

**BC-24 : Cost Accounting**

Time : Hours]

[Total Marks : 70

**Instructions :**

(1)

नीचे दृशावेल निशानीवाणी विगतो उत्तरवही पर अवश्य लभवी.  
 Fillup strictly the details of signs on your answer book.

Seat No. :

Name of the Examination :

Name of the Subject :

Subject Code No. :     Section No. (1, 2,.....):

Student's Signature

- (2) Each question having 10 marks.
- (3) Figures to the right hand side indicate full marks of the question.
- (4) Show necessary calculations as a part of your answer.

1 Write answer of the following questions : 3

(i) A Transport Co. maintains a Fleet of Vehicles for carrying goods between two places. Particulars of which are as follows:

No. of Vehicles	10	5	20
Capacity (in tons each)	2	6	5

Each Vehicle makes 5 trips a day covering a distance of 10 kms. In each trip. On an average 10% of vehicles are laid up for repairs daily and 80% of capacity of each vehicle is actually used. If a Company operates 25 days in a month, calculate the total tone kilometers per month carried by the Company.

(ii) The following figures relate to three jobs of 4

	Job-1 Rs.	Job-2 Rs.	Job-3 Rs.
Direct materials	600	800	1,000
Direct labours	400	600	700
Direct expenses	60	80	100

Works overhead is 50% on prime costs and office overhead is 10% on works cost.

Find out the total costs of each job.

(iii) The information regarding workers of X Limited is as under : 3

- (a) No. of Workers on 1-3-2011 ..... 540
- (b) No. of Workers on 31-3-2011 ..... ?
- (c) No. of Workers who have resigned ..... 54
- (d) No. of Workers dismissed ..... 16
- (e) No. of Workers who have retired ..... 38
- (f) No. of Workers newly appointed ..... 272  
(Of which 200 workers were taken under expansion plan)
- (g) Labour turnover rate as per flux method .. 30%

Find out No. of workers on 31-03-2011.

2 Natraj Pencils Limited manufactures two types of Pencils namely 'Kinjal' and 'Niyati'. The following information is available. 10

- (i) Total direct materials was 60% of total factory cost and the direct material per Unit in 'Kinjal' Pencil consists twice as much as that in 'Niyati' type Pencil.
- (ii) Total direct wages was 28% of total factory cost and direct wages per unit for 'Niyati' Pencil was 90% of those for 'Kinjal' Pencil.
- (iii) Production overheads were 20% of direct material in both the type of Pencils.
- (iv) Total office overheads were 15% of total factory cost and the office overhead per unit in 'Niyati' Pencil was 1/3 of those for 'Kinjal' Pencil.

- (v) Selling overheads were 10% on cost of production of goods sold.
- (vi) Total factory cost was Rs. 45,000
- (vii) The following data refers to March-2011 :

<i>Particulars</i>	<i>Kinjal</i>	<i>Niyati</i>
(a) Production (in numbers)	6,750	13,500
(b) Sales (% of production)	80%	70%
(c) Sales (in numbers)	5,400	9,450
(d) Selling price per unit	Rs. 5	Rs. 3

There was no work -in-progress and raw-material stock in the beginning or at the end of March-2011  
Prepare a cost statement.

- 3** In a factory, there are three production department. **10**  
The details of the expenses, during March, 2011, are as under :

	<i>Rs.</i>
Indirect wages .....	1,300
Insurance .....	3,300
Canteen Expenses .....	6,000
Lighting .....	2,000
Rent and rates .....	5,000
Contribution of ESI .....	650
Depreciation .....	16,500
Power .....	9,000
Factory manager's salary .....	18,000

Other information :

<i>Particulars</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
(i) Lighting points	6	5	4	3	2
(ii) Direct wages (Rs)	4500	4000	2900	1200	400
(iii) Cost of machine (Rs)	72000	48000	36000	1200	1200
(iv) Horse power of machine	4	6	2	-	-
(v) Space occupied (sq.feet)	600	400	500	300	200
(vi) Proportion of time devoted by factory manager	5	4	3	2	1
(vii) Number of workers.	5	6	4	3	2

A, B and C are production department and two service department D and E. The benefit of service department D and E is derived by the other departments in the following proportion :

<i>Particulars</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>
Department D	20%	30%	40%	-	10%
Department E	30%	40%	30%	-	-

Prepare a statement showing :

- (i) Distribution of overheads to various department and
- (ii) Distribution of expenses of service department to production department.

- 4 A product passes through three different process A, B and C. The information is as under : 10

<i>Particulars</i>	<i>Process - A</i>	<i>Process - B</i>	<i>Process - C</i>
(i) Units introduced (Per unit Rs. 24)	?	-	-
(ii) Actual production (Number of units)	14,475	?	?
(iii) Normal Wastage (Percentage of input)	2.5%	4%	10%
(iv) Sales price of wastages (Per 25 units)	Rs. 30	Rs. 75	Rs. 250
(v) Abnormal wastages in units	150	Nil	-
(vi) Abnormal gain (No. of Units)	-	Nil	204
(vii) Normal cost of normal output (Per Unit)	-	Rs. 45	Nil
(viii) Cost of abnormal gain (per unit)	-	-	Rs. 60
(ix) Factory overhead	61,200	59,959	61,751

**Additional information :**

- (i) Direct wages to be distributed as 125% of Factory overheads
  - (ii) The abnormal wastage was  $\frac{2}{5}$ th of the normal wastage in the process -A
- From the above information prepare all process Accounts.

5 Following is the cost per unit of Vimal Limited 10

- Material ..... Rs. 20
- Wages ..... Rs. 12
- Factory overheads ..... 25% of prime cost
- Office overheads ..... Rs. 4
- Selling and distribution overheads ..... Rs. 6

*Profit and Loss A/c of the Company.*

<i>Particulars</i>	<i>Rs.</i>	<i>Particulars</i>	<i>Rs.</i>
Opening stock of Finished goods (3000 Units)	1,00,000	Sales	16,00,000
Materials	5,00,000	Closing stock of finished goods (8000 units)	3,36,000
Wages	3,00,000	Interest and dividend received	14,000
Factory expenses	1,50,000	Profit on sale of furniture	10,000
Office expenses	1,10,000		
Selling expenses	1,30,000		
Goodwill written off	34,000		
Preliminary expenses written off	12,000		
Provision for tax	1,44,000		
Net profit	4,80,000		
	<b>19,60,000</b>		<b>19,60,000</b>

In cost account stock of finished goods is valued at Rs.40 per unit. Closing stock of finished goods is a part of production of the year.

Prepare : Statement of cost and Reconciliation statement.

- 6 Paresh Limited uses different type of material Viz. M,N,O,P 10 and Q. In respect of which the following information is available :

<i>Particulars</i>	<i>Materials</i>				
	<i>M</i>	<i>N</i>	<i>O</i>	<i>P</i>	<i>Q</i>
Delivery time(weeks)	2 to 3	3 to 4	4 to 5	5 to 6	6 to 7
Average weekly consumption (units)	95	?	50	?	75
Maximum weekly consumption (Units)	?	95	52	60	?
Minimum weekly consumption (Units)	75	85	?	40	66
Ordering quantity (Units)	-	-	37	-	-

Emergency time for purchase is one week for all types of materials. From the above information. Find out :

- (i) Ordering level of material M
  - (ii) Minimum level of material N
  - (iii) Maximum level of material O
  - (iv) Danger level of material P
  - (v) Safety stock of material Q.
- 7 Write short notes : (any two) 10
- (i) Escalation caluse in contract costing
  - (ii) Economic lot size of Batch costing
  - (iii) Normal loss and abnormal loss in process costings.