

Exam. Code : 108505

Subject Code : 8085

B.Com 5th Sem. (Old Syllabus 2017)

BCG-504 COST ACCOUNTING

Time Allowed—3 Hours]

[Maximum Marks—50

SECTION—A

**Note** :— Attempt any **ten** questions out of the following twelve questions. Each question carries 1 mark.

1. Explain :

- (i) Limitations of cost accounting
- (ii) Direct labor VS indirect labour cost
- (iii) FIFO VS LIFO
- (iv) Fixed overheads
- (v) Allocation VS Apportionment of expenses
- (vi) Cost drivers
- (vii) Factory cost
- (viii) Job costing VS Contract costing
- (ix) Uncertified work
- (x) Sales budget
- (xi) Standard cost
- (xii) Reasons for material price variance.

## SECTION—B

**Note** :— Attempt any **two** questions out of the following four given questions. Each question carries **10** marks.

2. Define material control. Discuss the techniques for exercising material control.
3. What is idle time ? Discuss its causes, types and treatment.
4. The factory overhead cost of four production departments of a company engaged in executing job orders for an accounting year are as follows :

A        Rs. 19,300

B        Rs. 4,200

C        Rs. 4,000

D        Rs. 2,000

Overhead has been applied as under :

Departments

A	Rs. 1.50 per machine hour for 14,000 hours
B	Rs. 1.30 per direct labor hour for 3,000 hours
C	80% of direct labor hour cost of Rs. 6,000
D	Rs. 2 per piece for 950 pieces

Find out the amount of department wise under-or-over-absorbed factory overheads.

5. From the following prepare a reconciliation statement.



	Rs.
Profit as per cost accounts	1,45,500
Works overheads under recovered	9,500
Administrative overheads under recovered	22,750
Selling overheads over recovered	19,500
Over valuation of opening stock in cost books	15,000
Over valuation of closing stock in cost books	7,500
Interest earned during the year	3,750
Rent received during the year	27,000
Bad debts written off during the year	9,000
Preliminary expenses written off during the year	18,000

### SECTION—C

**Note** :— Attempt any **two** questions out of the following four given questions. Each question carries **10** marks.

- Discuss the various tools and techniques of marginal costing.
- Define budgetary control. Discuss its objectives and essentials. Also highlight its advantages and disadvantages.
- 10,000 units have been issued to Process A at a cost of Rs. 20,000. The other expenses are as follows :

Materials Rs. 15,000 ; Direct wages Rs. 25,000 Factory overheads Rs. 10,000

From the past experience it is known that 2% of the input is wastage and realizes Re. 1 per unit. The actual

output of the process is 9,900 units. Prepare process account, normal wastage account, and abnormal effectiveness account showing the calculating of value of abnormal effectiveness.

9. Calculate Labor Cost Variance, Labor Rate Variance, Labor Efficiency Variance, Labor Mix Variance and Labor Yield Variance from the following information :

Standard wages :

Grade X : 90 laborers @ Rs. 2 per hour

Grade Y : 60 laborers @ Rs. 3 per hour

Actual wages :

Grade X : 80 laborers @ Rs. 2.5 per hour

Grade Y : 70 laborers @ Rs. 2 per hour

Budgeted hours : 1000 ; Actual hours : 900

Budgeted gross production : 5000 units

Standard loss : 20%

Actual loss : 900 units.