Exam. Code : 108505
Subject Code : 2839

B.Com. 5th Semester

COST ACCOUNTING

Paper–BCG–504

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) Advantages of cost accounting
   (ii) Differentiate between allocation and apportionment
   (iii) Functions of store keeping
   (iv) Components of labour cost
   (v) Classification of overheads according to functions
   (vi) Need for reconciliation of cost accounts and financial accounts
   (vii) P/V ratio
   (viii) Idle time variance
   (ix) Cost plus contracts
   (x) Feature of unit costing
   (xi) Fixed budget vs. flexible budget
   (xii) Normal and abnormal wastage.

SECTION–B

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

2. Differentiate between financial accounting and cost accounting. Give scope of cost accounting.

3. How is conventional allocation of common cost done ? How it is different from Activity based costing criteria ?

4. A company manufacturing two products furnishes the following data for a year :

Product	Annual output (units)	Total machine hours	Total number of purchase orders	Total number of set ups
A	5,000	20,000	160	20
B	60,000	1,20,000	384	44

The annual overheads are as under :

Volume related activity costs Rs. 5,50,000

Set up related cost Rs. 8,20,000

Purchase related cost Rs. 6,18,000

You are required to calculate the cost per unit of each of Products A and B based on :

(a) Traditional method of charging overheads

(b) Activity based costing method.

5. A factory turns out two products A and B; the cost of material and labour is as follows :

	A (Rs.)	B (Rs.)
Material per unit	12.50	7.5
Direct wages per unit	10	6

Works overhead is charged at 100% of wages and office overhead at 25% of works cost. 200 units of A and 500 units of B were produced and sold at Rs. 50 and Rs. 30 per unit respectively, there being no opening and closing stocks.

If actually the works expenses amounted to Rs. 4,800 and office expenses to Rs. 4,200 reconcile the results shown by cost accounts and financial accounts.

SECTION–C

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

6. What is budgetary control ? Explain different types of budgets.

7. Differentiate between process costing and job costing. Give features of process costing.

8. (a) The standard cost of a certain chemical mixture is :
   40% Material A @ Rs. 20 per kg.
   60% Material B @ Rs. 30 per kg.
   Standard loss of 10% is expected in production.
   During the period, there is used :
   90 Kgs Material A at cost of Rs. 18 per Kg.
   110 Kgs Material A at cost of Rs. 34 per Kg.
   The weight produced is 182 Kgs of good production.
   Calculate and present :
   (i) Material Cost variance
   (ii) Material Price variance
   (iii) Material Mix variance
   (iv) Material Yield variance.

(b) The following data are available from the record of S.T. Co. Ltd. for the year ended 31st March 2007.
Sales : Rs. 40,000
Variable Cost : Rs. 20,000
Fixed Cost : Rs. 12,000
You are required to :
(a) Calculate the P/V Ratio, BEP and Margin of Safety at this level.
(b) Calculate the effect of 10% increase in sales price.

Calculate the effect of 10% decrease in sales price.

9. M/s Deep undertook a contract for Rs. 3,00,000 on April 2010 and completed the same on 30th June 2012. You are given the following information for the contract :
2010-11 : Materials issued Rs. 40,000, Wages Rs. 20,000, Other direct charges Rs. 10,000, cost of special plant Rs. 80,000. On 31st March, 2011 Material on site Rs. 4,000 and work certified Rs. 70,000.
2011-12 : Materials issued Rs. 70,000, Wages Rs. 50,000, Other direct charges Rs. 5,000. On 31st March, 2012 materials on site Rs. 10,500, work certified this year Rs. 1,55,000. Work completed but uncertified Rs. 25,000.
2012-13 : Materials issued Rs. 5,000, Wages Rs. 12,500, Other direct charges Rs. 1,200. On 30th June, 2012 materials returned to store Rs. 1,000. Plant was returned to store at a value ascertained after charging 10% depreciation annually on the original cost. 80% of the value of work certified was received in cash every year. Prepare Contract account, Contractee's account and work in progress account for each year.