

Exam. Code : 108505

Subject Code : 8086

B.Com. 5th Semester (Old Sylb. 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) Features of cost accounting.

(ii) Direct material Vs Indirect material.

(iii) Components of cost.

(iv) Re-order level.

(v) Overtime costs.

(vi) Cost drivers.

(vii) Prime cost.

(viii) Job costing Vs Process costing.

(ix) ABC costing.

(x) How will you treat normal loss in process costing ?

(xi) Break even point.

(xii) Standard cost.

SECTION—B

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

2. Define cost. How is it classified ?
3. Explain the methods of pricing issue of materials.
4. In a factory the methods mentioned below are adopted for the allocation of office and selling overheads :
 1. Advertising and sales : on factory cost figures promotion
 2. Credit and collection : on sales figures expenses
 3. Direct selling cost : on sales figures
 4. Other items : on factory cost figures

The factory deals with five different types of product viz A, B, C, D and E. The following information has been collected from books :

	A Rs.	B Rs.	C Rs.	D Rs.	E Rs.
Material	24,000	48,000	66,000	33,000	40,500
Wages	27,000	36,000	57,000	24,000	34,500
Sales	1,12,500	1,65,000	2,62,500	1,09,500	1,60,500

Factory overhead charges are 80% of wages. Office and selling charges are :

	Rs.
(1) Direct selling cost	: 62,100
(2) Other items	: 4,440
(3) Credit and collection expenses	: 9,000
(4) Advertisement and sales promotion	: 75,840

Calculate the profit earned of each type of product.

5. From the following information prepare :
- Profit and Loss Account
 - Cost Sheet
 - Reconciliation Statement.

Particulars	Rs.	Units
Sales	2,50,000	20,000
Material	1,00,000	
Wages	50,000	
Factory overheads	45,000	
Office overheads	26,000	
Selling and distribution overheads	18,000	
Closing stock of finished goods	15,000	1,230
Work in progress :		
Materials	3,000	
Wages	2,000	
Factory overheads	2,000	
Goodwill written off	20,000	
Interest on capital	2,000	

In closing books factory overheads is charged at 100% on wages, administration overheads at 10% of factory cost and selling and distribution overheads at the rate of Re. 1 per unit sold.

SECTION—C

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

- Define Cost Sheet. Give specimen of cost sheet giving treatment of stocks. Take imaginary figures.
- Discuss various tools and techniques of marginal costing.

8. Punjab Engineering Co. Ltd. undertakes large contracts. On 31st March when the annual accounts were prepared the position of a bridge contract which commenced on 1st July, 2006 was as follows :
- Materials purchased Rs. 60,000; Wages paid Rs. 70,000; Sundry expenses Rs. 3,000; Plant dispatched to site at cost Rs. 10,000; Wages accrued Rs. 1,000; Materials of hand Rs. 2,400 at the end of the year.
- The value of certified work was Rs. 1,44,000 of which Rs. 1,08,000 has been received. The work finished but uncertified was valued at Rs. 4,000. The plant of the site on 31st March 2013 was valued at Rs. 8,000. The contract price was Rs. 2,40,000.
- You are required to prepare Contract Account, showing the profit which should reasonable be transferred to Profit and Loss Account and calculate Work in progress as at 31st March, 2013.
9. From the information given below, prepare flexible budget for 60 and 80 percent capacities and fix the total overhead rates as a per cent on direct wages at these capacities :

	At 60% Capacity (Rs.)	At 75% Capacity (Rs.)	At 80% Capacity (Rs.)
Variable overheads :			
Indirect material		7,500	
Indirect labor		22,500	
Semi-variable overheads :			
Electricity (40% fixed, 60% variable)		37,500	
Repairs and maintenance (30% fixed, 20% variable)		3,750	
Fixed overheads :			
Salaries		1,00,000	
Insurance		5,000	
Depreciation		25,000	

Estimated direct wages Rs. 40,250 at 75% capacity.