

B.Com. - 5th Semester (old syllabus 2017)
(2221)

Paper : BCG-504 Cost Accounting

Time allowed: 3 hrs.

Max. Marks: 50

Section : A

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

Q1. Explain:

- i. Four similarities between cost accounting and financial accounting
- ii. Components of cost
- iii. Advantages of material control
- iv. Of LIFO and FIFO, which is better and why?
- v. Need for reconciliation of accounts
- vi. Activity based costing
- vii. Calculation of profits in contracts nearing completion
- viii. Cost sheet
- ix. Batch costing
- x. Labor mix variance
- xi. Inter-process profits
- xii. Absorption costing

Section: B

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

Q2. Explain classification of cost of different bases.

Q3. Explain components of labor cost. What is idle time? What are its causes, types and treatment?

Q4. What is cost accounting? How is it different from financial accounting?

Q5. The financial Profit and Loss Account of AB Ltd. For the year ended 31st March 2013 is as follows

	Rs.		Rs.
To material consumed	100,000	By sales	2,48,000
To carriage inward	68000		
To works expenses	24000		
To direct wages	2000		
To administration expenses	9000		
To selling and distribution expenses	13000		
To debenture interest	2000		
To net profit	30,000		
	2,48,000		2,48,000

The net profit shown by the cost accounts for the year is Rs. 32540. Upon detailed comparison of the two sets of accounts it is found that-

- i. The amount charged in the cost accounts in respect of overhead charges are as follows-

Works overhead charges= Rs. 23000

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Administration overhead charges = Rs. 9180

Selling and distribution expenses = Rs. 13280

- ii. No charge has been made in the cost accounts in respect of debenture interest.

You are required to reconcile the profits shown by the two sets of accounts.

Section: C

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

Q6. What is budgetary control? Explain various types of budgets.

Q7. Discuss various tools and techniques of marginal costing.

Q8. A contractor prepares his accounts for the year ending 31st December each year. He commenced a contract on 1st April 2012. The following information relates to the contract as on 31st December 2012.

	Rs.
Material issued	251000
Labor charges	565600
Salary to foremen	81300

A machine costing Rs. 260,000 has been on the site for 146 days, its working life is estimated at 7 years and its final scrap value at Rs. 15000. A supervisor who is paid Rs. 8000 per month has devoted one half of his time to this contract. All other expenses and administration charges amount to Rs. 136500.

Material in hand and at site cost Rs. 35400 on 31st December 2012. The contract price is Rs. 20 lakhs. On 31st December, 2012 two third of the contract was completed. The architect issued certificates covering 50% of the contract price, and the contractor has been paid Rs. 750,000 on account.

Prepare Contract Account and show how much profit or loss should be included in financial accounts to 31st December 2012.

Q9. A product of a company passes through three separate processes. From the following information prepare process accounts-

Units of material A introduced into process A – 20,000 units at Rs. 8000. Other particulars are as follows-

	Process A (Rs.)	Process B (Rs.)	Process C (Rs.)
Sundry material	6000	2000	2000
Direct labor	4000	3000	3000
Overheads	4000	2000	1000
Normal loss	2%	5%	10%
Scrap value per 100 units	Rs.5	Rs.20	Rs.10
Output (units)	19600	18400	16700

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