

Roll No.

Total No. of Pages : 04

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B.Com. (Hons.) (2018 Batch) (Sem.-2)

COST ACCOUNTING

Subject Code : BCOM-201-18

M.Code : 75828

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION-A

- 1. Answer briefly :**
- a) Distinguish between direct and indirect cost.
 - b) From the following particulars calculate prime cost and factory cost :
Opening stock of Raw Material Rs. 50,000
Purchase of Raw Material Rs. 2,50,000
Freight inward Rs. 20,000
Closing stock of Raw Material Rs. 60,000
Indirect factory overheads Rs. 75,000.
 - c) What do you mean by reordering level of stock?
 - d) Explain the term labour turnover.
 - e) Explain the term economic ordering quantity.
 - f) Explain the term overhead.
 - g) Distinguish between allocation and absorption of overhead.
 - h) What do you mean by zero base budgeting?

- i) Define the term just in time (JIT).
- j) Explain the term total quality management.

SECTION-B

UNIT-I

2. Prepare cost sheet from the following information of Reflex India Limited :

Opening Stock of Raw Material	Rs. 4,40,000
Purchase of Raw Material	Rs.25,60,000
Closing Stock of Raw Material	Rs. 6,00,000
Carriage on Purchases	Rs. 50,000
Freight inward	Rs. 30,000
Fuel and power	Rs. 7,50,000
Factory rent	Rs.2,50,000
Factory lighting	Rs. 2,25,000
Wages and salaries	Rs. 3,00,000
Salaries	Rs.6,00,000
Office lighting	Rs. 1,50,000
Depreciation on factory equipments	Rs. 3,00,000
Depreciation on office assets	Rs. 4,00,000
Opening Stock work in progress	Rs. 6,00,000
Closing Stock work in progress	Rs. 5,00,000
Advertisements	Rs. 1, 50,000
Salesmen commission	Rs. 2,00,000
Factory telephone Expenses	Rs. 25,000
Office telephone Expenses	Rs. 50,000
Opening stock of finished goods	Rs. 7,50,000
Closing stock of finished goods	Rs. 4,50,000
Selling Price	120% of total cost

3. “Limitations of financial accounting have made the management realize the importance of cost accounting”. Comment.

UNIT-II

4. From the following transactions, prepare stores ledger account using LIFO method :

Year 2018				
1 st July	Opening stock			500 units @ Rs. 20 each
4 th July	Purchased	GRN	574	500 units @ Rs. 21 each
6 th July	Issued	SR	251	600 units
8 th July	Purchased	GRN	578	600 units @ Rs. 24 each
9 th July	Issued	SR	258	500 units
13 th July	Issued	SR	262	200 units
24 th July	Purchased	GRN	584	750 units @ Rs. 25 each
28 th July	Issued	SR	264	450 units
30 th July	Purchased	GRN	590	550 units @ Rs. 24.50 each
31 st July	Issued	SR	268	500 units

Note: GRN = Goods received note and SR=stores Requisition

5. A worker produced 200 units in a week's time. The Guaranteed weekly wage payment for 45 hours is Rs. 81. The expected time to produce one unit is 15 minutes which is raised further 20% under incentive scheme. What will be earnings per hour of that worker under Halsey (50%) Sharing and Rowan bonus schemes?

UNIT-III

6. From the following information for the year of 2018 Aabir Enterprises. You are required to compute the following :
- a) Profit Volume ratio
 - b) Variable cost
 - c) Break Even point
 - d) Profit if company has target sales of 2019, Rs. 45,00,000
 - e) Target sales to generate profit of Rs. 8,00,000

Sales	Rs. 2,50,000
Fixed cost	Rs. 4,00,000
Profit	Rs. 6,00,000

7. Indicate the reasons why it is necessary for the cost and financial. Accountant of an organisation to be reconciled and explain the main reasons of differences which enter into such account.

UNIT-IV

8. You are required to prepare flexible budget for overheads on the basis of data given below. Ascertain the overhead rates 30%, 60% and 90 % Capacity.

	At 30% Capacity (Rs.)	At 60% Capacity (Rs.)	At 90% Capacity (Rs.)
Variable Overheads			
Indirect material	48,000		
Indirect labour	72,000		
Semi Variable Overheads			
Electricity (20% fixed and 80% variable)	1,10,000		
Repairs and maintenance (50% fixed and 50% variable)	1,50,000		
Fixed Overheads			
Depreciation	60,000		
Insurance	40,000		
Salaries	100,000		
Total Overheads	5,80,000		

9. Write short notes on following :
- a) Life cycle costing
 - b) Black flush costing
 - c) Activity based costing

NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC case against the Student.