

Total No. of Printed Pages—7

**4 SEM TDC COAC (CBCS) C 408**

**2 0 2 2**

( June/July )

**COMMERCE**

( Core )

Paper : C-408

**( Cost Accounting )**

Full Marks : 80

Pass Marks : 32

Time : 3 hours

*The figures in the margin indicate full marks  
for the questions*

1. (a) Indicate which of the following statements are True or False :  $1 \times 4 = 4$
- (i) Cost Accounting is the oldest branch of accounting.
  - (ii) Purchase order is prepared by the purchasing department.
  - (iii) Fixed overhead cost is a committed cost.
  - (iv) Process Costing is ordinarily applied where all the operations are performed in one department.

( 2 )

- (b) Fill in the blanks : 1×4=4
- (i) Out of pocket costs involve payment to \_\_\_\_\_.
  - (ii) Labour once lost cannot be \_\_\_\_\_.
  - (iii) Any expenditure over and above prime cost is known as \_\_\_\_\_.
  - (iv) The need of reconciliation arises in \_\_\_\_\_ accounting system.

2. Write short notes on any four of the following : 4×4=16

- (a) Cost Sheet
- (b) ABC analysis
- (c) Apportionment of overhead expenses
- (d) Job costing
- (e) Memorandum Reconciliation Account

3. (a) Define Cost Accounting. How does cost accounting help in the planning and control of operations of a business enterprise? 4+10=14

( 3 )

Or

- (b) Explain fully the concept of 'cost'. Distinguish between Direct Cost and Indirect Cost. Also describe the principal aims of classifying the costs. 2+6+6=14

4. (a) Prepare Stores Ledger A/c using FIFO and LIFO method for issue pricing :

7+7=14

2022		Units	Price per unit	
February	1	Opening Balance	300	20
"	5	Purchases	200	22
"	11	Issues	150	?
"	22	Purchases	200	23
"	24	Issues	150	?
"	28	Issues	200	?
"	28	Shortages	5	?

Or

- (b) Production section of a factory working on the job order system pays their workers under the Rowan Premium Bonus Scheme. Workers also get a dearness allowance of ₹ 120 per week of 48 hours. A worker's basic wage is

₹ 20 per day of 8 hours and his time sheet for a week is summarised below :

Job No.	Time Allowed (in hours)	Time Taken (in hours)
101	25	20
102	30	20
Idle time (waiting)		8
		<u>48</u>

Calculate the gross wages he has earned for the week and indicate the accounts to which the wages amounts will be debited. 14

5. (a) Define Cost Allocation and Cost Apportionment. Explain the various bases of apportionment of overheads to departments with illustrations as to the items of expenses. 2+2+6=10

Or

- (b) Compute the Machine Hour Rate from the following data : 10

- (i) Cost of the machine—₹ 1,00,000
- (ii) Installation charges—₹ 10,000
- (iii) Estimated scrap value (after the expiry of its life of 15 years)—₹ 5,000

- (iv) Rent and rates for the shop per month—₹ 200
- (v) General lighting for the shop per month—₹ 300
- (vi) Insurance premium for the machine per annum—₹ 960
- (vii) Repairs and maintenance expenses per annum—₹ 1,000
- (viii) Per consumption : 10 units per hour and rate of power per 100 units—₹ 20
- (ix) Estimated working hour per annum is 2200 hours which includes setting up time of 200 hours
- (x) Shop supervisor's salary per month—₹ 600
- (xi) The machine occupies  $\frac{1}{4}$ th of the total area of shop
- (xii) The supervisor is expected to devote  $\frac{1}{5}$ th of his time in supervising the machine

6. (a) What do you mean by Unit Costing? In which industries unit costing is applied? Explain its purposes. 2+3+4=9

( 6 )

Or

- (b) The product of a manufacturing concern passes through two processes—A and B and then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap which from process A and B realises ₹ 80 per ton and ₹ 200 per ton respectively.

Following are the figures relating to both the processes :

	Process—A	Process—B
Materials	1000 tons	70 tons
Cost of materials per ton	₹ 125	₹ 200
Wages	₹ 28,000	₹ 10,000
Manufacturing expenses	₹ 8,000	₹ 5,250
Output	830 tons	780 tons

Prepare Process Cost A/cs showing cost per ton of each process. There was no stock or work-in-progress in any process.

9

7. (a) What are the purposes of Reconciliation of Cost and Financial Accounts? Why is it necessary to reconcile the profits shown by Cost and Financial Accounts?

4+5=9

( 7 )

Or

- (b) The following is the Trading and Profit & Loss A/c of Madan Industries Ltd. for the year ended 31st March, 2022 :

Particulars	₹	Particulars	₹
To Materials	45,000	By Sales	
" Wages	33,000	(4800 units)	96,000
" Works Expenses	24,000	" Closing Stock	
" Administrative Expenses	6,000	(1200 units)	20,400
" Net Profit	8,400		
	<u>1,16,400</u>		<u>1,16,400</u>

The company's Cost Accounts show as under :

- (1) Works overheads have been absorbed at ₹ 3 per unit produced
- (2) Administrative overheads have been absorbed at ₹ 1.50 per unit produced

You are required to prepare—

- (i) a statement of cost indicating net profit;
- (ii) a reconciliation statement. 4+5=9

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