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Third Semester 5 Year B.Com. LL.B. Examination, June/July 2019
COST ACCOUNTING

Duration : 3 Hours

Max. Marks : 100

Instructions : 1. Answer Q. No. 9 and **any 5** of the remaining questions.

2. Q. No. 9 carries **20** marks and remaining questions carry **16** marks **each**.

3. Answers should be written in **English completely**.

Q. No. 1. Explain the steps in material purchase procedure. Marks : 16

Q. No. 2. What is overhead ? Explain the different kinds of overheads. Marks : 16

Q. No. 3. Prepare Stores Ledger Account showing the issue of materials for the month of April 2018 under FIFO Method. Marks : 16

April

1 Opening stock 1000 units at Rs. 26 each

3 Issued 500 units

5 Issued 400 units

7 Purchased 750 units at Rs. 27.5 each

9 Issued 360 units

11 Purchased 500 units at Rs. 29 each

13 Issued 700 units

15 Issued 50 units

20 Purchased 250 units at Rs. 32 each

23 Issued 200 units

25 Purchased 750 units at Rs. 34 each

27 Issued 150 units

On 30th April, when stock is verified, it is found that the actual stock is more by 10 units.

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Q. No. 4. The following data of cost is related to a company for 31-03-2018.

Marks : 16

	Stock (01-3-18)	Stock (31-3-18)
Raw materials	250000	260000
Finished goods	170000	160000
Work-in-progress	80000	90000
Purchase of raw materials		300000
Direct wages		170000
Works expenses		80000
Office expenses		20000
Selling and distribution expenses		40000
Sale of goods		800000
Income tax		200000
Dividend		10000
Prepare cost sheet.		

Q. No. 5. 'AB' Co. has 3 Production Departments and 1 Service Department. The following figures for a certain period is available :

Marks : 16

Rent	10,000
Indirect wages	3,000
Depreciation	20,000
Stock insurance	5,000
Lighting	1,200
Power	3,000
Indirect materials	4,000
Sundry charges	20,000

The following data is also available :

	Production Dept.			Service
	A	B	C	X
Floor area (sq. ft.)	2000	2500	3000	2000
Light points	20	30	40	20
HP of machines	120	60	100	20
Cost of machine	24,000	32,000	40,000	2,000
Direct wages	6,000	4,000	6,000	3,000
Stock value	4,000	3,000	2,000	600



Direct materials	5,000	6,000	4,000	3,000
Working hours	4670	3020	3050	—

Apportion the cost of various departments on equitable basis and service department cost to production departments in 3 : 5 : 2 ratio.

Q. No. 6. Prepare Cash Budget for the three months ending 30th June, 2018 from the following given below :

Marks : 16

Month	Sales	Purchases	Wages	Overheads
February	14000	9600	3000	1700
March	15000	9000	3000	1900
April	16000	9200	3200	2000
May	17000	10000	3600	2200
June	18000	10400	4000	2300

Credit terms are as follows :

- Sales – 70% of sales are collected in the same month and 30% in next month.
- Purchases – Creditors collect money for purchases after 3 months.
- Wages and overheads are paid as follows – 50% in the same month and 50% in the next month.

Other information :

- Dividend at 5% on shares of Rs. 2,00,000 will be paid in June.
- A plant worth Rs. 2,500 will be purchased in June.
- A vehicle will be sold in May for Rs. 10,000.
- Dividend from investments Rs. 1,000 is expected to be received in June.
- Income tax to be paid in June – Rs. 2,000.

Q. No. 7. Prepare a statement of cost using the following information : Marks : 16

	Rs.
Raw materials	1,00,000
Direct wages	2,00,000
Direct expenses	10,000
Supervisor's wages	2,500
Electric power	500
Lighting : Factory	1,500
Office	500



Rent : Factory	5,000
Office	2,500
Repairs : Factory	3,500
Office	500
Dividend	2,000
Manger's salary	50,000
Telephone	1,250
Advertising	1,250
Sales	7,00,000
Income Tax	10,000

Q. No. 8. Write short notes on **any two** of the following : Marks : $8 \times 2 = 16$

- i) Differences between Cost Accounting and Financial Accounting.
- ii) Elements of costs.
- iii) Labour Turnover.

Q. No. 9. Answer **any two** of the following : Marks : $10 \times 2 = 20$

- a) ABC and JIT analysis. Explain.
- b) Following transactions relates to the Receipts and Issue of Material 'X'.

Receipts :

June

- 3 500 units @ Rs. 4 per unit
- 13 900 units @ Rs. 4.3 per unit
- 23 600 units @ Rs. 3.8 per unit.

Issues :

- 5 400 units
- 15 400 units
- 25 600 units

Prepare stores ledger under weighted average method.

- c) Calculate total earnings of a worker under Halsey plan and Rowan plan from the following :

- Rate per hour – Rs. 5
 - Time allowed for job – 30 hours
 - Time taken – 20 hours
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