

2020

(3rd Semester)

COMMERCE

Paper No. : BC-304

(Cost Accounting)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 45)

The figures in the margin indicate full marks
for the questions

1. (a) Distinguish between Financial Accounting and Cost Accounting. 9

Or

- (b) From the following particulars, prepare a Cost Sheet for the year ending 31st December, 2019 : 9

	01.01.2019	31.12.2019
	₹	₹
Raw Materials	30,000	35,000
Work-in-Progress	25,000	15,000
Finished Products	1,00,000	1,20,000

12-21/80a

(Turn Over)

	₹
Purchase of Raw Materials	2,00,000
Purchase Return	10,000
Direct Wages	80,000
Direct Expenses	50,000
Indirect Expenses	5,000
Office Rent	10,000
Factory Rent	8,000
Power	10,000
Administrative Expenses	20,000
Selling Expenses	25,000
Advertisement	5,000
Carriage Inward	10,000
Carriage Outward	5,000
Depreciation (20% Office Furniture)	20,000
Salaries (30% Factory)	20,000
Sales	7,00,000

2. (a) What are the different methods of valuing materials issues? Which method is suitable and why? 5+4=9

Or

- (b) ABC Co. Ltd. purchased and issued the materials. The following order :

01.01.2020	Balance of materials—500 units @ ₹ 5 p.u.
03.01.2020	Purchased materials—1000 units @ ₹ 6 p.u.
07.01.2020	Issued materials—1200 units
10.01.2020	Purchased materials—1500 units @ ₹ 10 p.u.

12-21/80a

(Continued)

(3)

- 17.01.2020 Issued materials—1000 units
22.01.2020 Purchased materials—1500 units @ ₹ 12 p.u.
26.01.2020 Issued materials—1100 units
28.01.2020 Purchased materials—1200 units @ ₹ 15 p.u.
30.01.2020 Issued materials—1000 units

Prepare Stores Ledger under FIFO method. 9

3. (a) Explain the different classifications of overhead costs. 9

Or

- (b) Nagaland Manufactures Ltd. has three production departments— P_1 , P_2 , P_3 and two service departments— S_1 and S_2 , the details pertaining to which are as under :

	P_1	P_2	P_3	S_1	S_2
Direct wages (₹)	3,000	2,000	3,000	1,500	200
Working hours	3500	4000	2500	—	—
Value of machine (₹)	60,000	80,000	1,00,000	5,000	5,000
HP of machines	60	30	50	10	—
Light point	10	15	20	10	5
Floor space (sq. ft)	2000	2500	3000	2000	500
Expenses of service department allocated :					
S_1	20%	30%	40%	—	10%
S_2	40%	20%	30%	10%	—

12-21/80a

(Turn Over)

(4)

Following figures from the accounting records are relevant :

	₹
Rent and Rates	5,000
Lighting	1,000
Indirect Wages	2,000
Power	1,500
Depreciation of Machines	10,000
Sundries	15,000

Find out the total cost of the product in the departments P_1 , P_2 and P_3 . 9

4. (a) The following information given below has been taken from the cost records of a factory in respect of Job No. 808 :

Direct materials—₹ 4,200

Wages details :

Departments :

A—60 hours @ ₹ 3 per hour

B—40 hours @ ₹ 2 per hour

C—20 hours @ ₹ 5 per hour

The variable overheads are as follows :

Departments :

A—₹ 5,000 for 5000 hours

B—₹ 3,000 for 1500 hours

C—₹ 2,000 for 500 hours

Fixed expenses estimated at ₹ 20,000 for 10000 working hours.

Calculate the cost of the Job No. 808 and the price of the job to give a profit of 25% on the selling price. 9

12-21/80a

(Continued)

(5)

Or

- (b) Nagaland Construction Company Ltd. undertook a contract of a price of ₹ 10,00,000. The construction work started at 01.04.2018 and the year ending at 31st March. The following details are available :

Work certified—80% of contract cost
Materials issued—₹ 2,00,000
Labour—₹ 1,00,000
Materials return to godown—₹ 10,000
Materials sent to other contract—₹ 20,000
Administrative expenses for 5 contracts—
₹ 50,000
Work uncertified—₹ 50,000
Plant cost (installed 01.10.2018)—₹ 5,00,000
Depreciation—20%
Materials at site on 31.03.2019—₹ 40,000
Direct expenses—₹ 20,000
Indirect expenses—₹ 5,000
Outstanding wages—₹ 15,000
Materials cost—₹ 10,000
Cash received—₹ 7,50,000

Prepare Contract A/c for the year ending 31 March, 2019. 9

(6)

5. (a) What is process costing? Explain the features of process costing. 2+7=9

Or

- (b) Product X passes through three processes before it is transferred to finished stock. Following information is obtained for the month of June :

	Process—I	Process—II	Process—III
Materials in units	10000	—	—
₹ 10 p.u.			
Direct Wages (₹)	50,000	40,000	30,000
Direct Expenses (₹)	80,000	60,000	40,000
Indirect			
Materials (₹)	20,000	15,000	10,000
Other Expenses (₹)	15,000	10,000	5,000
Overhead			
Expenses (₹)	2,500	15,000	15,000
Normal Loss	10%	8%	5%
Value of Scrap (₹)	15	20	30
Output (units)	8500	8000	7500

Prepare Process Cost A/c for the Process—I, Process—II and Process—III. 9

★ ★ ★