

CA/BC-304

2015

(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*

Answer **all** questions

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

Or

- (b) From the following particulars, prepare a Cost Sheet :

	₹
Stock of raw materials (01.01.2014)	30,850
Work-in-progress (01.01.2014)	60,850
Purchase of raw materials	1,43,250

L16—1400/72a

(Turn Over)

	₹
Direct wages	1,78,500
Production overhead expenses	1,42,800
General overhead expenses	1,12,700
Stock of raw materials (31.12.2014)	37,700
Work-in-progress (31.12.2014)	67,750
Sales for the year	8,60,625

2. (a) Prepare Stores Ledger under FIFO method from the following : 9

2007

- June 1 Opening stock—200 units at ₹ 20 each
- " 5 Received—100 units at ₹ 22 each
- " 10 Purchased—150 units at ₹ 24 each
- " 20 Received—180 units at ₹ 25 each
- " 24 Purchased—200 units at ₹ 24 each

Issues were made as follows :

2007

- June 2 150 units
- " 7 100 units
- " 12 100 units
- " 28 200 units

Or

(b) Discuss the advantages and disadvantages of LIFO and FIFO methods of pricing materials issue.

(3)

3. (a) Discuss the basis of apportionment of overheads.

9

Or

- (b) The Modern Co. is having four departments. A, B and C are the producing departments and D is the servicing department. The actual costs for a period are as follows :

	₹
Rent	2,000
Repair	1,200
Depreciation	900
Lighting	200
Supervision	3,000
Insurance—Stock	1,000
Employee's Insurance— Employer's Liability	300
Power	1,800

The following data are also available in respect of four departments :

	Departments			
	A	B	C	D
Area (sq. ft)	150	110	90	50
No. of Workers	24	16	12	8
Total Wages (in ₹)	8,000	6,600	4,000	2,000
Value of Plant (in ₹)	24,000	18,000	12,000	6,000
Value of Stock (in ₹)	15,000	9,000	6,000	—

Apportion the cost to various departments on the most equitable method.

(4)

4. (a) Define batch costing. Discuss the advantages and disadvantages of batch costing. 1+(4+4)=9

Or

- (b) The following particulars are in respect of a contract which commenced on 01.01.2010 :

	₹
Material Issued	58,000
Direct Wages	75,000
Cost of Special Plant	30,000
Direct Expenses	12,000
Establishment Charges	8,000

The contract was completed by 31.12.2010. The contract price was ₹ 1,75,000. The value of materials returned to stores was ₹ 5,000. The special plant was returned to stores subject to depreciation at 20% per annum. Contract price was received in full on 31.12.2010.

Prepare Contract A/c. 9

5. (a) Define process costing. Discuss the advantages and disadvantages of process costing. 1+(4+4)=9

(5)

Or

- (b) A product of a company passes through three separate processes. From the following information, prepare Process A/cs :

9

Materials introduced into process A—20000 units at ₹ 8,000

Other particulars are as follows :

	<i>Processes</i>		
	<i>A</i>	<i>B</i>	<i>C</i>
Direct Materials (in ₹)	6,000	2,000	2,000
Direct Labour (in ₹)	4,000	3,000	3,000
Overheads (in ₹)	4,000	2,000	1,000
Normal Loss	2%	5%	10%
Scrap Value per 100 units (in ₹)	5	20	10
Output (in units)	19600	18400	16700
