

2022

(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) Explain the difference between Cost Accounting and Financial Accounting. 9

Or

- (b) The following extract of costing information relates to commodity A for the half-year ending 31st December, 2020 :

Purchases of Raw Materials	1,20,000
Works Overheads	48,000

L23/36a

(Turn Over)

(2)

	₹
Direct Wages	1,00,000
Carriage on Purchases	1,440
Stock (1st July, 2020) :	
Raw Materials	20,000
Finished Products (1000 tons)	16,000
Stock (31st December, 2020) :	
Raw Materials	22,240
Finished Products (2000 tons)	32,000
Work-in-Progress (1st July, 2020)	4,800
Work-in-Progress (31st December, 2020)	16,000
Sales—Finished Products	3,00,000

Selling and distribution are ₹ 1 per ton sold

16000 tons of commodity were produced during the period

You are required to ascertain—

- (i) cost of raw materials used and cost of output for the period;
- (ii) cost of sales;
- (iii) net profit per ton of the commodity. 9

2. (a) Explain the essential features of a good wage system. 9

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(Continued)

Or

(b) From the following data provided, you are required to find the Labour Turnover Rate by applying—

(i) flux method;

(ii) replacement method;

(iii) separation method :

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Number of workers on the payroll :

At the beginning of the month—500

At the end of the month—600

During the month, 5 workers left, 20 persons were discharged and 75 workers were recruited. Of these, 10 workers were recruited in the vacancies of those leaving, while the rest were engaged in expansion scheme.

3. (a) Define overhead. Explain the different classifications of overheads.

2+7=9

Or

(b) Distribute the following cost to the various departments on the most equitable basis :

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Rent, Rates and Taxes	5,000
Repairs to Buildings	11,500
Repairs to Plant	7,500

(4)

	₹
Depreciation of Plant	22,500
Insurance of Stock	1,500
Insurance of Plants	750
Power	4,500
Lighting	800
Supervision	6,000
Insurance to Workers	1,900

Additional Information :

	Production Dept.			Service Dept.	
	A	B	C	X	Y
Floor area (sq. mt.)	180	120	100	70	30
Nos. of employees	20	15	12	8	5
HP of machine	600	400	500	—	—
Direct wages (₹)	50,000	40,000	30,000	15,000	5,000
Value of plant (₹)	2,40,000	2,00,000	1,60,000	1,00,000	50,000
Value of buildings (₹)	5,00,000	3,00,000	2,00,000	1,00,000	50,000
Nos. of light points	30	20	15	10	5
Value of stock (₹)	1,50,000	1,00,000	50,000	—	—

4. (a) State the objectives and disadvantages of Job Order Costing. 5+4=9

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(Continued)

(5)

Or

(b) M/s. John & Co. commenced the work on a particular contract on 1st April, 2021. They close their books of accounts for the year on 31st December each year. The following information is available from their costing records on 31st December, 2021 :

Material sent to site	₹ 50,000
Wages paid	1,00,000
Foreman's salary	12,000

A machine costing ₹ 32,000 remained in use on site for $\frac{1}{5}$ of the year. Its working life was estimated at 5 years and scrap value at ₹ 2,000. A supervisor is paid ₹ 2,000 per month and had devoted one-half of his time on the contract. All other expenses were ₹ 15,000. The material at site was ₹ 9,000. The contract price was ₹ 4,00,000. On 31st December, 2021, $\frac{2}{3}$ of the contract was completed. However, the architect gave certificate only for ₹ 2,00,000 on which 75% was paid.

Prepare the Contract A/c.

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5. (a) What is Process Costing? Explain the difference between Job Costing and Process Costing.

2+7=9

L23/36a

(Turn Over)

Or

- (b) Bengal Co. Ltd. produced three chemicals during the month of July 2006 by three consecutive processes. In each process, 2% of total weight put in is lost and 10% is scrap which from process (I) and process (II) realises ₹ 100 a ton and from process (III) ₹ 20 a ton.

The products of three processes are dealt with as follows :

	Process—I	Process—II	Process—III
Passed on to the next process	75%	50%	—
Sent to warehouse for sale	25%	50%	100%

Expenses Incurred :

	Process—I		Process—II		Process—III	
	₹	tons	₹	tons	₹	tons
Raw materials	1,20,000	1000	28,000	140	1,07,840	1348
Manufacturing wages	20,500	—	18,520	—	15,000	—
General expenses	10,300	—	7,240	—	3,100	—

Prepare Process A/c showing the cost per ton of each product.

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