

2024

(FYUGP)

(4th Semester)

COMMERCE

(Major)

Paper Code : BC/C7

(**Cost Accounting**)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

1. (a) Explain the objectives of Cost Accounting. What are the differences between Cost Accounting and Financial Accounting? 7+8=15

Or

- (b) The following information has been obtained from the records of a manufacturing concern :

	01.01.2022	31.12.2022
	₹	₹
Stock of Raw Materials	35,000	40,000
Work-in-Progress	20,000	25,000
Stock of Finished Goods	40,000	45,000

24L/858

(Turn Over)

	₹
Indirect Wages	9,000
Sales	3,50,000
Factory Rent and Rates	8,000
Office Salaries	15,000
General Expenses	13,000
Office Rent	5,000
Carriage Outward	2,000
Purchases of Raw Materials	1,50,000
Productive Wages	80,000
Plant Repairs	4,000
Depreciation (20% Office)	10,000
Factory Lighting	5,000
Salesmen's Salaries	7,000

Prepare Cost Sheet showing cost of raw materials consumed, prime cost, factory cost, cost of production, cost of goods sold and profit. 15

2. (a) From the following transactions, prepare a Stores Ledger A/c using FIFO method. : 15

January	1	Opening Balance	500 units ₹ 4
"	4	Issued	200 units
"	5	Purchased	300 units ₹ 4.5
"	10	Issued	100 units
"	12	Purchased	300 units ₹ 5
"	15	Issued	400 units
"	20	Purchased	200 units ₹ 6

January 26	Issued	200 units
"	27 Return to Store	40 units
"	30 Issued	200 units

Or

(b) What are the different causes of labour turnover? Explain the main features of a good wage system. 10+5=15

3. (a) What are the different classifications of overhead cost? Explain the base of apportionment of expenses in different departments. 7+8=15

Or

(b) ABC Company is divided into four departments P_1 , P_2 , P_3 are producing departments and S_1 is a service department. The actual costs for a period are as follows :

	₹
Rent	1,000
Repairs to Plant	600
Depreciation of Plant	450
Employers' Liability for Insurance	200
Supervisions	1,500
Fire Insurance in Respect of Stock	500
Power	900
Light	120

The following information is available in respect of the four departments :

	<i>Departments</i>			
	P_1	P_2	P_3	S_1
Area (sq. meter)	1500	1100	900	500
No. of Employees	20	15	10	5
Total Wages (in ₹)	6,000	4,000	3,000	2,000
Value of Plant (in ₹)	24,000	18,000	12,000	6,000
Value of Stock (in ₹)	15,000	9,000	6,000	—
HP of Plant	24	18	12	6

The value of service department allocated to production departments as 2 : 3 : 1 ratio.

Apportion the costs to the various departments on the most equitable basis.

15

4. (a) What are the differences between Job Costing and Batch Costing? What is operating costing? What are the objectives of operating costing?

7+2+6=15

Or

- (b) A product of a company passes through three separate processes. From the following information, prepare Process A/c : 15

Units of materials introduced into process A—20000 units at ₹ 8,000

Other particulars are as follows :

	Process		
	A	B	C
Sundry 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 (units)	19600	18400	16700

5. (a) Prepare Contract A/c from the following information for the year 2021 : 15

	₹
Material sent to site	85,349
Labour engaged on site	74,375
Plant installed at site at cost	15,000
Direct expenditure	3,167
Establishment charges	4,126

	₹
Material returned to stores	549
Work certified	1,95,000
Cost of work not certified	4,500
Contract price	2,50,000
Material at site 31.12.2021	1,883
Wages accrued on 31.12.2021	2,400
Direct expenditure accrued on 31.12.2021	240
Value of plant on 31.12.2021	11,000
Cash received from contractee	1,80,000

Or

- (b) Write need for reconciliation. Discuss the reasons of disagreement between costing and financial profit. 6+9=15

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