



'সমানো মন্ত্র: সমিতি: সমানী'

UNIVERSITY OF NORTH BENGAL

B.Com. Honours Part-II Examination, 2022

B.COM.

PAPER-2H2

COST ACCOUNTING

Time Allotted: 4 Hours

Full Marks: 100

The figures in the margin indicate full marks.

GROUP-A

Answer any four questions

15×4 = 60

1. What do you mean by Cost Accounting? Discuss its scope. How does it differ from Financial Accounting? 3+4+8

2. From the following information find: (a) EOQ, (b) Re-order Level, (c) Minimum Stock Level, (d) Maximum Stock Level, (e) Average Stock Level, (f) Danger Stock Level 4+2+3+
3+1+2
Annual consumption: 3,00,000 units
Consumption per day (in units): Minimum- 250, Normal- 500, Maximum- 700
Lead Time (in days): Minimum- 3, Normal- 5, Maximum- 9, In emergency- 2
Ordering Cost per order: Rs. 240
Carrying Cost p.u.p.a.: Re.0.25

3. (a) Distinguish between allocation of overhead and apportionment of overhead. 5+10
(b) Following information is obtained from the records of a manufacturing concern. You are required to redistribute service departments' overheads to production departments.

	Production Departments		Service Departments	
	P1	P2	S1	S2
Overheads as per Primary Distribution (Rs.)	15,000	8,250	12,000	9,000
Rates of reapportionment:				
S1	50%	30%	--	20%
S2	45%	40%	15%	--

4. A transport company owns a fleet of 10 taxis. The following information is available from the records of the company: 15
Cost of each taxi: Rs. 4,00,000. Scrap Value of each taxi: Rs. 68,000. Total life of a taxi is about 1,80,000 km.
Driver's Salary Rs. 8,000 p.m. per taxi; Manager's Salary Rs. 12,000 p.m.;
Garage Rent Rs. 3,000 p.m. per taxi; Annual Taxes: Rs. 5,000 per taxi;
Insurance premium: 3% on original cost; annual repair: Rs. 8,000 per taxi.

Diesel consumption rate: one litre for 12 km @ Rs. 85 per litre. Oil and other sundries: Rs. 175 per 100 km.

A taxi runs 120 km per day on 25 days of a month of which 40% is empty running.

Calculate the running cost per km of a taxi.

5. A product passes through three successive processes after which the product passes to finished stock. Each process passes its output to the next process at a price to show a profit of 20% on the transfer price. Output of Process-III passes to finished stock account on the same basis. 4+4+4+3

The following data relate to the year ended 31st December, 2021:

	Process-I	Process-II	Process-III
	Rs.	Rs.	Rs.
Materials consumed	30,000	35,000	70,000
Wages paid	50,000	40,000	80,000
Stock on 31.12.2021 at prime cost	20,000	30,000	60,000

Out of the goods transferred to Process-III to finished stock account, goods worth Rs. 2,60,000 were sold for Rs. 4,00,000; the balance remained in the stock on 31.12.21.

Prepare process accounts and the finished stock account.

6. What is Marginal Costing? What are its assumptions? Discuss its advantages and disadvantages. 3+4+(4+4)

7. A building contractor undertook a construction work at a contract price of Rs. 4,00,000. The construction work commenced on 30.06.2017. The following are the particulars of the contract up to 31.12.2017, the date on which he completed one accounting year: 9+6

	Rs.		Rs.
Materials Issued	1,00,000	Cash received from the contractee	2,24,000
Labour Charges	60,000	Cost of Works uncertified	60,000
Other Expenses	40,000	Materials at site on 31.12.17	24,000
Plant Issued	1,40,000	Plant is to be depreciated @ 10% p.a.	
Value of Works Certified up to 31.12.17	2,80,000		

Prepare Contract A/c and WIP A/c in the books of the contractor.

8. The following data have been extracted from the books of X Co. Ltd. for the year ended on 31.12.2017. Prepare the cost sheet: 15

	Rs.		Rs.
Raw materials purchased	70,000	Abnormal loss of materials	3,800
Carriage:		Normal loss of materials	300
Inward	2,000	Commission to salesmen	4,000
Outward	3,000	Return:	
Wages:		Inward	1,300
Direct	22,000	Outward	2,500
Indirect	7,000	Rent for:	
Salary to:		Factory Building	8,600
Factory Staff	10,000	Office Building	7,200
Office Staff	16,000	Stocks:	
Managing Director	12,000	On	On
Depreciation on :		01.01.17	31.12.17

Plant	9,000	Raw materials	3,000	5,000
Office furniture	3,500	Work-in-progress	2,700	3,200
Delivery Vans	2,700	Finished Goods	3,400	2,900
Power Expenses	11,000			

Additional information: (a) Direct Wages as shown above is excluding outstanding wages of Rs. 1,800; (b) Salary paid to office staff is including Rs. 1,200 paid in advance; (c) Gross Sales: Rs. 3,01,300.

GROUP-B

9. Answer any **four** questions: 5×4 = 20
- (a) What is a cost centre? Distinguish between cost centre and cost unit. 2+3
 - (b) Explain fixed, variable and semi variable overheads with at least two examples of each. 5
 - (c) Write a short note on ABC analysis. 5
 - (d) A worker takes 80 hours to do a job for which the time allowed is 100 hours. His daily rate is Rs. 25 per hour. Calculate the wages payable to the worker under (i) Halsey Plan and (ii) Rowan Plan. 5
 - (e) What is under and over absorption of overheads? 5
 - (f) How the profit of an incomplete contract should be determined? 5
 - (g) A company has sales of Rs. 60,000, marginal cost of sales Rs. 48,000 and BEP Rs. 40,000. Find the profit earned by the company. 5
 - (h) What do you mean by process costing? Mention the name of any three industries where process costing can be applied. 2+3

GROUP-C

10. Answer any **ten** questions: 2×10 = 20
- (a) What is direct material?
 - (b) Distinguish between Cost of Sales and Cost of Goods Sold.
 - (c) Mention two merits of Piece Rate Wage system.
 - (d) Mention two limitations of FIFO method of issuing materials.
 - (e) What is Machine Hour Rate?
 - (f) What do you mean by the term “Value of Works Certified”?
 - (g) Define “composite unit”.
 - (h) What is indicated by the angle of incidence?
 - (i) How P/V ratio is calculated?
 - (j) Give two examples of Administrative Overheads.
 - (k) How payment of overtime is treated in cost accounts?
 - (l) What is Works Cost?
 - (m) How margin of safety can be determined?
 - (n) What are chargeable expenses?
 - (o) What are different elements of costs?

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