

2018

COST ACCOUNTING

Paper : 1.5

(Accountancy Major)

Full Marks – 80

Pass Marks – 24

Time – Three hours

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

1. Answer the following as directed : $1 \times 10 = 10$

- (a) Material is the _____ element of cost. (Fill in the blank)
- (b) A job is a small contract and a contract is a big job. (State whether the statement is true or false)
- (c) Cost is a _____ and price is a _____. (Fill in the blanks)

[Turn over

(d) Abnormal gain appears on the credit side of the Process Account. (State whether the statement is true or false.)

(e) Which method of valuing materials is suitable in times of rising prices?

(i) LIFO (ii) FIFO

(iii) HIFO (iv) FILO

(f) Cost Ledger Control Account always has a credit balance. (State whether the statement is true or false)

(g) The change in costs due to changes in the method of production is known as _____ (Fill in the blank)

(i) Marginal cost

(ii) Replacement cost

(iii) Differential cost

(iv) Opportunity cost.

(h) Overhead is the aggregate of _____ and _____ (Fill in the blanks)

(i) Wage sheet is p

(ii) Personal depa

(iii) Pay-roll depa

(iv) Cost account

(v) None of the

(Select the most

(j) VED stands for _____

2. Answer the following

(a) What is meant by _____

(b) State the meaning of _____ costing.

(c) What is Inter-lock _____

(d) State two important _____ costing.

(e) What is meant by _____

3. Answer any *four* of the following questions :

$$5 \times 4 = 20$$

(a) State the essential pre-requisites of Integrated Accounting System.

(b) The following information relate to the manufacturing of a standard product during April, 2017 :

Raw materials : Rs. 20,000

Direct labour : Rs. 10,000

Machine hour rate : Rs. 5

Machine hours worked : 900 hours

Administrative overheads : 20% of works cost

Selling overheads : Rs. 50 per unit

Units produced : 17,100 units

Units sold : 16,000 units

Sale price : Rs. 4 per unit.

You are required to prepare statement of cost showing cost and profit per unit sold.

(c) Cost accounting vs Financial accounting.

(d) State the needs for reconciliation of cost and financial accounts.

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(e) Write short note (EOQ).

(f) A factory has 8 employee takes wages basis a plan. His day

Calculate his w under :

(i) Piece work

(ii) Halsey plan

(iii) Rowan plan

(g) Distinguish between over-absorption

4. (a) How is profit brought into a

(b) What is meant

Product 'X' is of two distinct products each were introduced no stock of material

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the beginning or at the end of the period. The output of each process passes direct to next process and finally to finished stores. The following information is obtained from the accounts for the week ending January 31st, 2017 :

	Process I	Process II
Direct materials	Rs. 2,600	Rs. 1,980
Direct wages	Rs. 2,000	Rs. 3,000
Output during the week	950 units	840 units
Normal loss	5%	10%

Production overhead is recovered on 100 per cent of direct wages. Value of scrap per unit is Rs.2 and Rs.4 for process I process II respectively.

Prepare Process I Account and Process II Account. 10

5. (a) What do you understand by Labour Turnover? 5
- (b) What are the different costs of labour turnover? 5

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6. Explain what is meant by 'maximum level', 'minimum level' and 're-ordering level' in the maintenance of stock in an organisation. 10

Or

From the following information, calculate the value of closing stock using : 10

- (i) FIFO basis and
(ii) LIFO basis

Opening stock as on 1.4.2017 : 50,000 units

Rate per unit applicable : Rs. 7

Purchases :

On 25.5.2017 : 1,10,000 units @ Rs. 9 per unit

On 15.8.2017 : 1,25,000 units @ Rs. 8 per unit

On 13.12.2017 : 93,000 units @ Rs. 11 per unit

On 5.3.2018 : 65,000 units @ Rs. 12 per unit

Closing stock as on 31.3.2018 : 1,67,000 units. 10

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(8) 10,000(0)

7. (a) State the advantages

- (b) Discuss the various methods of overheads to

During the year the factory overheads of three production departments are as follows :
under :

X Rs. 48,950

Y Rs. 89,200

Z Rs. 64,500

The basis of absorption is as follows :

Departments :

X Rs. 5 per machine hour

Y 75% of direct wages

Z Rs. 4 per piece

Calculate the departmental overhead rates and present the data

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