

**SARASWAT VIDYALAYA'S  
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES  
KHORLIM, MAPUSA-GOA.**

**B.COM FIFTH SEMESTER END EXAMINATION JANUARY, 2021**

**w.e.f 2019-20 CBCS**

**DURATION: 2 HOURS**

**CMA MAJOR II : COST ACCOUNTING II**

**MAX MARKS: 80**

**INSTRUCTIONS:**

- 1) **Question No.1** is compulsory.
- 2) Attempt **Any Three** questions from **Question No.2** to **Question No.6**.
- 3) Each question carries 20 marks.
- 4) Give working notes wherever necessary.

**Q.1)** Titan Ltd has five departments **A, B, C, D** and **E**. of which **A, B & C** are **Production Department** and **D & E** are **Service Department**. The overheads are incurred as follows:

Particulars	Amount (Rs)
Rent	10,800
Rates & Taxes	3,000
Depreciation on building	63,600
Depreciation on other assets	50,400
Lighting	12,800
Power	16,500
Subsidy to canteen	15,600

**Further Information:**

	Dept. A	Dept. B	Dept. C	Dept. D	Dept. E
Area (Sq.ft)	3,000	4,000	4,000	2,000	2,000
No. of employees	80	110	60	30	20
Other Assets	1,50,000	1,90,000	1,80,000	1,00,000	80,000
Light points	15	10	7	5	3
Horse power of machine	400	300	200	200	--

You are required to prepare:

1. A primary distribution summary showing the distribution of overheads to various departments.
2. Secondary distribution summary using direct method. **Service department D** renders services to departments **A, B, C** in the ratio of 4:2:2 and the **service department E** renders services to Department **A, B, C** in the ratio of 5:3:2.

**(20)**

**Q.2)** Following information is made available you are required to calculate the earnings of the worker Honey and Bunny separately under both the methods:

i. Halsey Premium Plan.

ii. Rowan Premium Plan.

Hourly rate of wage guaranteed Rs 25.

Standard time for producing 1 unit is 5 hours.

Actual time taken by worker: Honey to produce 20 units is 80 hours

Bunny to produce 20 units is 98 hours

(20)

**Q.3) (A)** Calculate the Machine Hour Rate of the machine installed in a factory from the following Particulars.

Particulars	Per Annum
Supervisors salary	4,500
Repairs and maintenance	465
Factory rent	2,400
Insurance premium	150
Running hours 1,500 hours p.a.	---
Electric power consumed 15 units	---

The other information:

Time devoted by supervisor	1/10th
Area occupied by machine	1/4th
Rate of electric power	Rs 0.10 per unit
Cost of machine	Rs 40,000
Scrap value of machine	Rs 10,000
Life of machine	10 years

(12)



(B) The following information is extracted from the budget of Sunlight Ltd for 2018.

Particulars	Amount
Factory overhead	62,000.
Direct labour cost	1,00,000
Direct Labour Hours	1,55,000 hours

From the above figure calculate:

- Overhead absorption rates using Direct Labour Hour rate Method and Direct Labour Cost Methods
- Prepare comparative statement of cost showing the result of application of each of the above rates to job no 195 from the following information:

Direct Material Cost	Rs 45
Direct Labour Cost	Rs 50
Direct Labour Hours	40 hours

(08)

Q.4)(A) Following particulars of Mr. Peter an employee of M/s Sky Blue & Co. for the month of January 2019 is as follows

Particulars	Amount
Basic wages	40,000
Dearness Allowance (110% on basic wages)	---
House Rent Allowance	4,500
Overtime allowance	4,000
Total amount deposited to provident fund	12,000
Total amount deposited in ESI	4,500
Recovery of provisions supplied	2,500

Other information:

- Employer's and employee's contribution to provident fund is in equal share.
- The ratio of employers and employee's contribution to ESI is 2:1.

Determine the net wages payable in cash to Mr. Peter for the month of January 2019. (10)

(B) Explain the different methods of Time Booking. (10)

**Q.5(A)** What is piece rate system? Explain merits and demerits of piece rate system

(10)

**(B)** What are overheads? Explain Actual and Pre-determined rate.

(10)

**Q.6)** Answer **ANY FOUR** from the following

(4 x 5 = 20)

- a) Labour Turnover
- b) Idle Time
- c) Allocation & Apportionment
- d) Primary distribution overhead
- e) Under-absorption of overhead