

SARASWAT VIDYALAYA'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA-GOA.
B.COM FIFTH SEMESTER END EXAMINATION JANUARY, 2022
w.e.f 2019-20 CBCS
COST ACCOUNTING MAJOR II : COST ACCOUNTING II

DURATION: 2 HOURS

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) Moonlight Ltd has three *Production Department P, Q & R* and two *Service Department M & N*

The overheads incurred during the period were:

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Power	2,200	Depreciation	60,000
Lighting	400	Repairs	12,000
Stores	1,600	Sundries	24,000
Welfare to staff	6,000	Rent & Taxes	1,100

Further Information:

	Dept. P	Dept. Q	Dept. R	Dept. M	Dept. N
Direct wages	60,000	90,000	1,20,000	30,000	60,000
Direct Materials	30,000	60,000	60,000	45,000	45,000
Staff number	3,000	4,500	4,500	1,600	1,400
Horse power of machine	12,000	9,000	6,000	3,000	3,000
Asset Value (Rs)	1,20,000	80,000	60,000	20,000	20,000
Light points	20	32	8	12	8
Area (Sq. Yards)	300	500	100	100	100

You are required to prepare overhead distribution summary using direct method. Apportion the overheads of *Service Department M* in the ratio of 5:3:2 and those of *Service Department N* according to direct materials to the production departments.

(20)

Q.2) From the following particulars, work out the earnings of both the worker Mr. Sudesh and Mr.

Mahadev under each method

- i. Straight Piece Rate System
- ii. Taylors Differential Piece Rate System
- iii. Halsey Premium Plan
- iv. Rowan Premium Plan

Standard output per week	: 120 units	
Actual output per week	: Sudesh – 150 units	Mahadev – 100 units
Standard time per week	: 50 Hours	
Rate Per hour	: Rs 3.75	
Time taken by the worker per week	: Sudesh – 48 Hours	Mahadev – 46 hours
Rate Per Unit	: Rs 1.50	

Differentials to be applied is 80% of piece rate below standard and 120% of piece rate above standards. (20)

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

Cost of the machine	: Rs 800000
Cost of installation	: Rs 200000
Scrap value	: Rs 200000
Effective life of the machine	: 10 years
Rent and rates for a quarter for the shop	: Rs 30000
General lighting expenses	: Rs 2000 per month
Shop supervisors salary	: Rs 60000 per quarter
Insurance premium for a machine	: Rs 6000 per annum
Estimated repairs	: Rs 10000 per annum
Power 2 units per hour	: @ Rs 5 per 10 units
Estimated working hours	: Rs 2000 per annum

The machine occupies 1/4th of the total area of the shop. The supervisors is expected to devote 1/6th of his time for supervising machine. (12)

(B) The production department of the company furnishes the following information for the month of October 2021.

Direct wages	45,000
Labour hours worked	36,000 hours
Factory overheads	36,000

For an order no 65 executed in the department during the period the relevant information was as

Under:

Direct Material Consumed	Rs 12,000
Direct Wages	Rs 6,400
Labour Hours	6,400 hours

You are required to calculate the overhead chargeable to job by using Direct Labour Hour Rate Method and Direct Wages Methods and also prepare comparative statement of cost of order for job No. 65.

(08)

Q.4)(A) Following particulars of Mr. Pai an employee of M/s Lucky & Co. for the month of April 2021 is as follows:

Basic salary Per month	: Rs 60,000
Dearness Allowance	: 100% of Basic
Leave Salary	: 10% of Basic & DA
Bonus	: Rs 4,000
Total amount deposited to provident fund	: Rs 12,000
Total amount deposited in ESI	: Rs 4,500
Recovery of staff quarter rent	: Rs 6,000

Other information:

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

Determine the net wages payable in cash to Mr. Pai for the month of April 2021.

(10)

(B) What is Labour Turnover? Explain the methods of Labour Turnover.

(10)

Q.5)(A) What is Time Rate System? Explain merits and demerits of Time Rate System (10)

(B) What are overheads? Explain Repeated distribution method of overhead distribution. (10)

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

(4 x 5 =20)

- a) Holiday Pay and Vacation Pay
- b) Overtime Premium
- c) Departmentalisation
- d) Primary distribution overhead
- e) Actual and Pre-determined overheads rates

Q.5