

SARASWAT EDUCATION SOCIETY'S
SRIDORA CACULO COLLEGE OF COMMERCE & MANAGEMENT STUDIES
KHORLIM, MAPUSA, GOA.
T.Y.BCOM FIFTH SEMESTER END EXAMINATION NOVEMBER 2023

COST ACCOUNTING MAJOR II: COST ACCOUNTING II (DSE II)

[Duration: Two Hours]
(W.E.F 2019-20) (CBCS)

[Max Marks: 80]
Total No. of Printed Pages: 03

Instructions:

1. Question number 1 is compulsory.
2. Answer any 3 questions from question number 2 to question number 6.
3. Give working notes wherever necessary.
4. All questions carry equal marks.

The following information was obtained from the books of Bhuvan & Ashish Company Ltd, which has **three Production Departments, 'P', 'Q' & 'R'** and **two Service Departments 'X' & 'Y'**.

The following figures are extracted from the company records.

Particulars	Amount (Rs)
Rent & Rates	10,000
Stores overhead	5,000
Labour welfare	8,800
Depreciation	15,000
General overheads	10,000
Canteen expenses	2,200
General lighting	3,600
Power	1,500
Repair & maintenance	3,400

Details of the departments are as follows: -

	Dept. P	Dept. Q	Dept. R	Dept. X	Dept. Y
Direct Materials	3,000	2,500	1,500	500	1,000
Direct Wages	7,000	6,000	5,000	2,000	2,000
Floor space	1,000	800	600	400	500
No. of workers	80	60	40	20	30
Asset value	1,00,000	85,000	60,000	40,000	35,000
Light points	16	10	10	8	6
Horse power	150	100	100	80	60

You are required to prepare

- i. A statement of **Primary Distribution Summary**.
- ii. A re-apportionment of Service Departments expenses to production departments as per **Direct Distribution Method**. Apportion the expenses of **Service Dept, 'X'** in the ratio (4:3:2) and **Service Dept 'Y'** in proportion to **Direct Wages ratio** to the three production departments.

(20)

Q2. From the following particulars, calculate the earnings of Mr. Deep under each of the following methods:

- i. **Straight Piece Rate System**
- ii. **Taylor's Differential Piece Rate System**
- iii. **Halsey Premium Plan**
- iv. **Rowan Premium Plan**

Weekly working hours	40 hours
Standard output per hour	5 units per hour
Actual output in a 40 hours week	220 units
Wage rate per hour	Rs. 15 per hour
Piece rate per unit	Rs. 3 per unit
Differential piece rate	80% of piece rate when output below standard production and 120% of piece rate when output above standard production.

(20)

Q3. A) Compute the Machine Hour Rate from the following data

	Amount (Rs)
Cost of the machine	1,85,000
Installation charges	15,000
Estimated scrap value after 15 years	10,000
Rent for the shop per month	300
Lighting charges for the shop per quarter	650
Insurance premium for machine per annum	2,000
Repairs of machine per annum	1,500
Power consumption @ 30 units per hour	-
Rate of power per 100 units	20
Supervisor's salary per month	1,200
Working hours per annum	2200 hours

(12)

Other information:

Machine occupies 1/5th of the total area.

Supervisor devotes 1/3rd of his time on the machine.

B)

The production department of a company furnishes the following information for the month of October 2023

Direct Wages	Rs. 60000
Factory Overheads	Rs. 45000
Labour hours worked	30000 hours

For a job order number 21, executed in the department during the period, the relevant information was as under:

Direct Materials Consumed	Rs. 18000
Direct Wages	Rs. 12800

Labour hours worked

8448 hours

You are required to calculate the overhead chargeable to the job number 21 by using

(08)

- i) **Direct Labour Hour Rate Method**
- ii) **Direct Wages Method**

Also prepare a comparative statement cost of order for job number 21.

Q4. A) From the following particulars of Mr. Kale an employee of M/s Happy & Co. for the month of April 2022 is as follows:

	Amount (Rs)
Basic salary per month	75,000
Dearness allowance (120% of basic salary)	-
Leave salary	10% of Basic + D.A.
House Rent Allowance	12000
Overtime allowance	15,000
Bonus	8,000
Contribution to Provident Fund	16,000
Contribution to Employee's State Insurance	9,510
Recovery towards HRA	5,000
Recovery towards provisions supplied	3,000

Other information:

- i. Employer's and employee's contribution to provident fund is in equal share.
- ii. The ratio of employer's and employee's contribution to ESI is 3:2

(10)

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

Q4.B) What is Time Keeping? Explain the methods of time keeping.

(10)

Q5. A) What is Time Rate System? State and explain its advantages and disadvantages.

(10)

B) What do you mean by apportionment of Overheads? Explain different methods Secondary Distribution.

(10)

Q6. Write short notes on the following (any four):

(4X5=20)

- a. Methods of Time Booking
- b. Causes of Labour Turnover
- c. Departmentalisation
- d. Classification of overheads
- e. Actual and Pre-determined overhead rates