GOA UNIVERSITY

T.Y.B.Com. (CBCS) (Semester -V)

Subject Name: Cost Accounting - Cost Accounting II

Paper Title: Cost Accounting II **Paper Code: UCOD106**

Duration: 2:00 Hours **Total Marks: 80**

Instructions: i) Question No.**1** is **compulsory**.
ii) Answer **any 3** questions from Q.No.**2** to Q.No.**6**.
iii) Give working notes **wherever** necessary.
iv) **All** questions carry **equal** marks.

Q.1. A company has three production departments A, B and C and two service departments D and E. The following figures are extracted from the records of the company for the month of January 2026. **20**

Particulars	Production Departments			Service Departments	
	A	B	C	D	E
Direct wages (Rs.)	12,000	8,000	12,000	6,000	2,000
Floor area (sq. mts.)	1,000	1,250	1,500	1,000	250
Light point (Nos.)	40	60	80	40	20
HP of machines	60	30	50	10	-
Cost of machinery (Rs.)	60,000	70,000	80,000	50,000	40,000

The expenses for six months were as follows:

Particulars	Amount (Rs.)
Rent and rates	15,000
Municipal Taxes	5,000
Electricity	2,400
Indirect Wages	6,000
Power	6,000
Depreciation on machinery	15,000
Sundries	10,000
Canteen Expenses	30,000

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The expenses of service department D and E are to be allocated as follows:

	A	B	C	D	E
D	20%	30%	40%	-	10%
E	40%	20%	30%	10%	-

You are required to prepare:

i. A primary distribution summary showing the distribution of overheads to various departments.
ii. A statement showing re-apportionment of service department expenses to production departments.

Q.2. From the following information you are required to calculate the earnings of a worker for a week under: **20**

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

Number of working hours per week	48 hours
Rate per hour	Rs.7.50
Rate per piece	Rs.4
Normal time taken per piece	24 minutes
Normal output per week	120 pieces
Actual output per week	150 pieces
Differential piece rates	80% of piece rate when output is below normal production and 120% of piece rate when output is above the normal production.

Q.3.a) From the following information you are required to calculate machine hour rate: **12**

Particulars	**Amount (Rs.)**
Cost of the machine	4,00,000
Cost of installation	1,00,000
Scrap value after 10 years	1,00,000
Rent, rates for quarter for the shop	15,000
General lighting for the whole area (per month)	1,000
Shop supervisor's salary per quarter	18,000
Insurance premium for the machine (per annum)	3,000

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Estimated repairs for the machine (per annum)	5,000

From the past experience, it has been ascertained that:

i. The machine occupies 25% of the total area of the shop.
ii. The machine is expected to work for 20,000 hours in its lifetime.
iii. General lighting to be apportioned on the basis of floor area.
iv. The foreman devoted 1/6th of his time for the machine.
v. Machine consumes 10 units of power per hour at Rs. 50 per 100 units.

b) The following particulars are related to the production department of a factory for the month of February 2026: **08**

Materials consumed	Rs. 80,000
Direct Wages	Rs. 72,000
Factory Overheads	Rs. 90,000
Direct Labour Hours	20,000 hours

From the above figures calculate:

i. Overhead absorption rates using Direct Labour Cost Method and Direct Labour Hour Method.
ii. Prepare a comparative statement of cost showing the result of application of each of the above rates to Job No. 120 from the under mentioned data:

Direct Material Cost	Rs. 8,000
Direct Wages	Rs. 6,250
Labour Hours worked	3,300 hours

Q.4.a) What is Labour Turnover? Explain the causes of Labour Turnover. **10**

b) The following particulars were obtained from the books of the company related to Mr. Dheeraj for the month of March 2026: **10**

Particulars	Amount (Rs.)
Basic Salary	50,000
House Rent Allowance	4,000
Overnight Allowance	2,400
Night Shift Allowance	6,600
Provident Fund deposited for the period	14,100
Employees' State Insurance Contribution for the period	4,000
Recovery towards House Rent	7,600
Recovery towards supply of provisions	13,600

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I. Dearness Allowance - 60% of basic wages.
II. Provident Fund is paid by the employer and employee in equal share.
III. The ratio of contribution by employer and employee to Employee State Insurance is 3:2.
Calculate the amount of Net Salary of Mr. Dheeraj.

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Q.5.a) What is time rate system? Explain its merits and demerits.

b) What are overheads? Explain the function-wise classification of overheads. **10**

Q.6. Write short notes on the following. (Any four) **20**

a) Fringe benefits
b) Overtime premium
c) Apportionment of overheads
d) Departmentalisation of overheads
e) Over-absorption and under-absorption of overheads.

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