

END SEMESTER EXAMINATION

Cost Accounting: CMCA0078

Total Marks: 100

Duration: 3 hrs

1. Answer the following questions:

[1X10=10]

- i. Director's remuneration and expenses are a part of: [CO3]
 - a) Production overhead
 - b) Administration overhead
 - c) Selling overhead
 - d) Distribution overhead
- ii. Warehouse expense is an example of: [CO3]
 - a) Production overhead
 - b) Selling overhead
 - c) Distribution overhead
 - d) None of the above.
- iii. When the amount of overhead absorbed is less than the amount of overhead incurred, It is called: [CO3]
 - a) Under- absorption of overhead
 - b) Over-absorption of overhead
 - c) Proper absorption of overhead
 - d) None of the above
- iv. Aggregate of all direct costs is known as [CO1]
- v. Fixed cost per unitwith increase in the size of the output. [CO4]
- vi. Indirect material+ Indirect labour += Overheads. [CO2]
- vii. Variable cost remained fixed in [CO1]
- viii. Cost Accounting is a branch of financial accounting. (True/False) [CO1]
- ix. Abnormal cost is uncontrollable. (True/False) [CO2]
- x. Only variable costs are controllable. (True/False) [CO1]

2. Answer any five of the following questions:

[3X5=15]

- i. Explain the term overheads. [M3] [CO3]
- ii. What is Labour Cost? Explain with example types of labour cost. [CO2]
- iii. Write a short note on Merrick Multiple Piece Rate System. [CO2]
- iv. Give a brief detail of integral and non-integral system. [CO5]
- v. Write a short note on Financial Accounting. [CO1]
- vi. What do you understand by job costing? [CO4]

3. Answer any five of the following questions: [7X5=35]

- i. Discuss the classification of overhead expenses with a suitable example. [CO3]
- ii. Write down the major points of difference between Cost and Financial Accounting. [CO1]
- iii. Discuss the different techniques of Material Cost Control. [CO2]
- iv. From the following information calculate EOQ of two companies and comment on the results. [CO2]

- | | Company X | Company Y |
|--------------------------------|-----------|-----------|
| a) Annual Demand | 2000 kg | 1280 kg |
| b) Ordering Cost per Purchase | Rs. 1200 | Rs. 1400 |
| c) Annual carrying cost per kg | Rs. 480 | Rs. 560 |
- v. From the following data provided to you find out the labour turnover rate by applying: [CO4].
 - a) Separation method
 - b) Replacement method
 - c) Flux method
 - i. No. of workers at payroll at the beginning of the month 500
 - ii. No. of workers on payroll during the end of the month 600
 - iii. During the month, 5 workers left, 20 workers were discharged and 75 workers were recruited. Of this, 10 workers were recruited in the vacancy of those who left the organization, while the rest were engaged for an expansion scheme.
 - vi. Point out the distinction between integral and non-integral system of accounting [CO5]

4. Answer any four of the following questions: [10X4=40]

- i. The 'Modern Company' is divided into four departments: P1, P2, P3 are producing Department and S1 is the service Department. The actual cost for a period is as follows: [CO3]

	Amount (Rs)
Rent	10,000
Repairs to plant	6,000
Depreciation of plant	4,500
Employer's liability for insurance	1,500
Supervision	15,000
Fire insurance in respect of stock	5,000
Power	9,000
Light	1200

Following information is available in respect of the departments:

Particulars	Dept P1	Dept P2	Dept P3	Dept S1
Area (sq. meters)	1500	1100	900	500
No of employees	20	15	10	5
Total wages (Rs.)	6,000	4000	3000	2000
Value of stock(Rs)	15,000	9,000	6,000	-
Value of plant (Rs)	24,000	18,000	12,000	6,000
HP of plant	24	18	12	6

Apportion of the cost to the various departments on the most equitable basis.

- ii. Write the answer of the following questions:
 - a) What is Machine hour rate? State the procedure for computing the machine hour rate? [CO3]
 - b) State the advantages and disadvantages of computing the machine hour rate. [CO3]
- iii. What are Reconciliation of Cost and Financial Accounts? Discuss the items included only in financial statements and cost accounts? [CO5]
- iv. Calculate the earnings of workers A and B under Straight piece rate system and Taylor differential piece rate system from the following information.
 Normal rate per hour Rs 1.90
 Standard time per unit 15 seconds
 Differential to be applied
 75% of piece rate below standard
 110% of piece rate above standard
 Worker A produces 1400 units per day
 Worker B produces 1800 units per day. [CO2]
- v. You have been given for the following information of a worker Mr. Y who works in a factory.

Name of the Worker	Y
Employ ID	002
Work started	1-4-2019 at 8.00 AM
Work Finished	5-4-2019 at 12 Noon
Work Allotted	2160 units
Work done	2000 units
Time and Units allowed	40 units per hour
Wage Rate	Rs. 25 per hour
Bonus	40%

Worker Y worked 9 hours in a day.

You are required to calculate the remuneration of the worker under Halsey Plan and Rowan Plan. [CO2]

- vi. The information given below has been taken from the cost records of a factory in respect to job number 707.

Direct Material

Rs. 4010

Wages Details:

Dept A – 60 hours @3 per hour

Dept B – 40 hours @ 2 per hour

Dept C – 20 hours@ 5 per hour

The variable overheads are as follows:

Dept A – Rs 5000 for 5000 hours

Dept B – Rs 3000 for 1500 hours

Dept C – Rs 2000 for 500 hours

Fixed expense estimated Rs. 20,000 for 10,000 working hours.

Calculate the cost of Job Number 707 and the price of the job to give a profit of 20% on selling price. [CO4]