

(b) The following figures for the month of March, 2023 were extracted from the records of a factory :

| | |
|--|----------------------|
| Opening stock of finished goods (5000 units) | Rs. 45,000 |
| Purchase of raw materials | Rs. 2,57,100 |
| Direct wages | Rs. 1,05,000 |
| Factory overhead | 100% of direct wages |
| Administrative overhead | Re. 1.00 per unit |
| Selling and distribution overhead | 10% of sales |
| Closing stock of finished goods | 10,000 units |
| Sales (45,000 units) | Rs. 6,60,000 |

Prepare a cost sheet for the month of March 2023, assuming that sales are made on the basis of FIFO principle.

(c) What do you understand by 'overheads'? How will you classify them? Explain. 4+10=14

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COMHE 5126/COMRE 5216

2023

COMMERCE

Paper : COMHE 5126/COMRE 5216

(Group - A)

(Cost Accounting)

Full Marks : 80

Pass Marks : 32

Time : Three hours

The figures in the margin indicate full marks for the questions.

1. Answer **any six** of the following question : 1×6=6

- (a) Underabsorption of overheads _____ costing profit.
- (i) decreases
 - (ii) increases
 - (iii) constant
 - (iv) None of the above

(b) Salary of a foreman should be classified as

- (i) fixed overheads
- (ii) variable overheads
- (iii) semi-variable overheads
- (iv) None of the Above

(c) Which of the following is not a component of prime cost?

- (i) Direct materials
- (ii) Direct labour
- (iii) Direct expenses
- (iv) Overheads

(d) Contract costing is a variant of _____ costing.

- (i) job
- (ii) process
- (iii) unit
- (iv) batch

(e) Wages sheet is prepared by _____ department.

- (i) personnel
- (ii) payroll
- (iii) engineering
- (iv) timekeeping

(f) EOQ is used by business organizations for

- (i) minimizing cost of inventory
- (ii) minimizing annual purchase cost
- (iii) minimizing the carrying cost and ordering cost of materials
- (iv) None of the above

(g) The main purpose of cost accounting is to

- (i) maximize profits
- (ii) minimize losses
- (iii) help management in taking decisions by providing information
- (iv) None of the above

(h) Packing cost is a

- (i) production cost
- (ii) selling cost
- (iii) distribution cost
- (iv) None of the above

(i) The allotment of whole items of cost to cost centre or cost units is called as

- (i) cost allocation
- (ii) cost apportionment

- (iii) overheads absorption
- (iv) cost classification
- (i) Abnormal process losses are credited to
- (i) Process Account
- (ii) Normal Loss Account
- (iii) Abnormal Loss Account
- (iv) Costing Profit and Loss Account

2. Answer **any five** questions from the following: 2×5=10

- (a) What do you understand by 'administrative overheads'?
- (b) What is cost centre?
- (c) Distinguish between direct material and indirect material.
- (d) How to calculate the abnormal loss in process costing?
- (e) What do you understand by 'work study'?
- (f) Give two examples of indirect expenses.
- (g) State two features of process costing.

3. Answer **any six** from the following: 5×6=30

- (a) What are the objectives of cost accounting?

(b) What are the techniques of the inventory control?

(c) Distinguish between normal loss and abnormal loss.

(d) What is motion study? Distinguish between time study and motion study. 2+3=5

(e) Calculate the earnings of a worker under —

(i) Halsey plan, and

(ii) Rowan plan

if the hourly rate of wages guaranteed is 0.50 paise per hour, standard time for producing one dozen articles is 3 hours and the actual time taken by the worker to produce 20 dozen articles is 48 hours.

(f) Indicate the reasons for the differences in the profits shown by cost accounts and financial accounts.

(g) Explain briefly different methods of absorption of overheads.

(h) Distinguish between non-integral system of accounting and integral system of accounting.

- (i) What is process costing? State the six names of industries where the process costing is applied. 2+3=5
- (j) Distinguish between job costing and contract costing.

4. Answer **any two** of the following question :
10×2=20

- (a) What do you understand by 'labour turnover'? Discuss different methods of measurement of 'labour turnover'. State the causes of 'labour turnover'. 2+3+5=10
- (b) What is cost accounting? Discuss the advantages and disadvantages of cost accounting. 2+8=10
- (c) Prepare a Store Ledger Account under the LIFO method of pricing the issue of stores, using the following information :

| | Units |
|---------|----------------------------------|
| 2023 | |
| January | |
| 1 | Opening Balance 100 |
| | @ Rs. 1.10 per unit |
| 2 | Received @ Rs. 1.20 per unit 200 |
| 10 | Issued 150 |
| 14 | Received @ Rs. 1.30 per unit 100 |

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| | | |
|----|---|-----|
| 18 | Issued | 150 |
| 23 | Returned from the issue on 10th January | 20 |
| 26 | Received @ Rs. 1.20 per unit | 100 |
| 30 | Wastage | 10 |
| 31 | Issued | 110 |

- (d) From the following information, prepare a Process Account, an Abnormal Loss Account and a Normal Loss Account :
Input of Raw material 950 units @ Rs. 20 per unit
Direct Material—Rs. 3960
Direct Wages—Rs. 6000
Production Overheads @ 100% of Direct Wages
Actual output transferred to Process-II Account—840 units
Normal Loss—10%
Scrap Value per unit—Rs. 8.

5. Answer the following questions : (**any one**)
14

- (a) What are the objectives of material control? Explain the essential requirements of material control.
5+9=14

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