

( 8 )

an accident, only 47 units are produced. You are required to prepare (1) Process Account and (2) Abnormal Gain Account. 4+4=8

(ii) The particulars of materials X and Y are given below :

Normal usage—10 units per week each

Minimum usage—5 units per week each

Maximum usage—15 units per week each

Reorder quantity—X : 60 units

Y : 100 units

Reordering period—X : 3 to 5 weeks

Y : 2 to 4 weeks

Calculate for the following materials :

2×3=6

(1) Reorder level

(2) Minimum level

(3) Maximum level

(b) (i) Explain how the profits are determined in case of incomplete contracts. 5

(ii) What are direct and indirect expenses? Mention five expenses which are excluded from Cost Accounts. 4+5=9

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63/1 (SEM-5) (DSE2/DSE1A)/

COMHE5026/RE5016

KB23—300/224

63/1 (SEM-5) (DSE2/DSE1A)/  
COMHE5026/RE5016

2022

( Held in 2023 )

COMMERCE

Paper : COMHE5026/COMRE5016

( Cost Accounting )

Full Marks : 80

Pass Marks : 32

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Choose the correct option from the following : 1×6=6

(a) Cost Centre is created for

(i) inventory valuation

(ii) product pricing

(iii) control and fixation of responsibility

(iv) revenue generation

KB23/224

( Turn Over )

(b) Loss incurred in an incomplete contract is transferred to \_\_\_\_\_ Account.

- (i) Profit and Loss
- (ii) Contract
- (iii) Work Certified
- (iv) Contractor

(c) Wage payment is prepared by the

- (i) Personnel Department
- (ii) Payroll Department
- (iii) Engineering Department
- (iv) Timekeeping Department

(d) Which method of valuing materials is suitable in times of rising prices?

- (i) LIFO
- (ii) FIFO
- (iii) HIFO
- (iv) FILO

(e) 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

(f) Prime cost + Factory overheads =

- (i) prime cost
- (ii) cost of production
- (iii) cost of goods sold
- (iv) works cost

2. Answer the following questions : 2x5=10

(a) State the meaning of time study in labour costing.

(b) What is meant by prime cost?

(c) State two basic objectives of Cost Accounting.

(d) What is retention money?

(e) What is abnormal gain or effectiveness?

3. Answer any six of the following questions :  
5×6=30

(a) State the main differences between 'Financial Accounting' and 'Cost Accounting'.

(b) State the methods and techniques of Cost Accounting.

(c) From the following information, calculate the value of Closing Stock using FIFO basis :

December 1st : Balance in hand 1000 units @ ₹ 1 each

December 5th : Received 3000 units costing ₹ 3,300

December 15th : Received 2000 units costing ₹ 2,400

December 20th : Issued 2000 units

December 30th : Issued 3400 units

(d) From the following information, calculate earnings and bonus under Halsey Plan and Rowan Plan :

Standard time (or time allowed)—  
50 hours

Wage rate per hour—₹ 3

Actual time taken—42 hours

(e) Discuss the purchase procedure of materials.

(f) From the following data given by the Personnel Department, calculate the labour turnover rate by applying—

(i) separation method;

(ii) replacement method;

(iii) flux method.

Number of workers on the payroll :

At the beginning of the month—900

At the end of the month—1100

During the month, 10 workers left, 40 persons were discharged and 150 workers were recruited. Of these, 25 workers are recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme.

(g) State the advantages of Integrated Accounts.

(h) (i) What is EOQ?

(ii) Estimated requirement for the year of 600 units :

Cost per unit—₹ 20

Ordering cost (per order)—₹ 12

Carrying cost (% of average inventory)—20%

(i) State the needs for reconciliation of Cost and Financial Accounts.

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

(a) (i) What is a Cost Sheet? 2

(ii) The following data relate to the manufacturing of a standard product during the month of March 2022 :

Raw materials consumed—  
₹ 80,000

Direct wages—₹ 48,000

Machine hour worked—8000

Machine hour rate—₹ 4

Office overhead—10% of works cost

Selling overhead—₹ 1.50 per unit

Units produced—4000

Units sold—3600 @ ₹ 50 each

You are required to prepare a Cost Sheet in proper form. 8

(b) (i) What is meant by cost-plus contract? 5

(ii) What do you mean by allocation and apportionment of overheads? 5

(c) (i) What do you mean by 'over-absorption' and 'under-absorption' of overheads? 2

(ii) During the year ending 31st March, 2022, the factory overhead costs of three production departments of an organization are as under :

P—₹ 48,950

Q—₹ 89,200

R—₹ 64,500

The basis of absorption of overheads is given below :

Department P—₹ 5 per machine hour for 10000 hours

Department Q—75% of direct labour cost of ₹ 1,20,000

Department R—₹ 4 per piece for 15000 pieces

Calculate the departmentwise under- or over-absorption of overhead and present the data in a tabular form. 8

5. Answer any one of the following questions : 14

(a) (i) 50 units are introduced into a process at a cost of ₹ 1 each. The total additional expenditure incurred by the process is ₹ 30. Of the units introduced, 10% are normally spoiled in the course of manufacture, these possess a scrap value of ₹ 0.25 each. Owning to