

2024

COST ACCOUNTING - I — HONOURS**Paper : DSCC-2****Full Marks : 75***The figures in the margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.***Group - A**Answer **any three** questions.

5×3

- Distinguish between Cost Centre and Cost Unit.
- A cost centre in a factory furnished the following information :
Estimated annual overhead : ₹ 3,11,040
Estimated annual effective machine hours : 51840 machine hours
Actual results in respect of a 4 week period are :
Overhead incurred : ₹ 30,000
Machine hours operated : 4400 hours
Calculate the amount of under / over absorption of overhead.

- For appropriate cost unit match the following :

Industry	Cost Unit
(a) Cement	(1) Cubic metre
(b) Gas	(2) Per bed or Bed day
(c) Hospital	(3) Passenger km.
(d) Road Transport carrying passengers	(4) Units
(e) Brick	(5) Tonne

- Classify each of the following costs of the Maintenance Department based on their behaviour and also find the total cost of that department at 80% capacity.

Cost items	Cost at 50% Capacity (₹)	Cost at 70% Capacity (₹)
Repair & Maintenance	16,000	17,600
Consumables	12,000	16,800

Please Turn Over

5. The Works Cost of a product is estimated at ₹ 80,000. Factory overhead is 1/3rd of Prime Cost and 125% of direct wages. Calculate the cost of materials for the product assuming that there is no chargeable expenses.

Group - B

Answer *any three* questions.

6. From the following data, calculate Works Cost of the Jobs performed by Alope and Subal : 10

	Alope	Subal
Time Allowed (per 100 units)	40 Hours	42 Hours
Rate per hour	₹ 80.00	₹ 120.00
Actual Time Taken	96 hours	140 hours
Actual Units Produced	300 units	400 units
Material Cost for the Job	₹ 6,680	₹ 10,200
Bonus Plan	Halsey (50%)	Rowan
Factory overhead	150% of wages	100% of wages.

7. The following transaction took place in respect of a raw material M-101 during the month of January, 2024 :

Date	Particulars	Kgs.	Rate per kg. (₹)
1	Balance	1000	9
6	Purchased	1500	8
10	Issued	1900	-
13	Shortage	100	-
19	Return from issue dated 10.01.2024	200	-
21	Purchased	900	10
26	Issued	1000	-

Prepare the Stores Ledger Account for material M-101 when the policy of the firm is to value unsold stock at current price.

(3)

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8. Worker Vee is paid wages under piece rate system @ ₹ 20 per unit. During a week of 40 hours he produced 110 units. Standard production is 2 units per hour.

He is allowed an incentive based on efficiency as below :

Efficiency	Bonus on piece wage
Up to 100%	No bonus
Above 100% and up to 120%	10%
Above 120%	Additional 2% of every completed 5% efficiency over 120%.

Calculate total wages payable to Vee for the week both under Piece Rate and Hourly Rate System. Also find out Effective Piece Rate and Effective Hourly Rate, if bonus is same under both the systems.

6+4

9. Write short notes on :

- (a) Overtime Wages
(b) Sunk Cost
(c) Opportunity Cost.

4+3+3

10. Following information relate to Machine No. 505 of the workshop of Sen & Co. for the year ended 31.03.2024 :

Cost of the machine (scrap value ₹ 50,000) Life 10 years	₹ 4,50,000
Supervisor's salary (supervisor devotes 1/4th of his time to the machine)	₹ 28,000 p.a
Rent of shop (Machine occupies 1/3rd of shop area)	₹ 12,000 p.m
Electricity (light points used by machine 505 is 2 and by other machines 10)	₹ 3,000 p.m
Other factory overhead (1/4th allocated to this machine)	₹ 32,000 p.a.
Annual cost of insurance of the machine	2% of cost
Total machine hours available p.a.	4200 hours
Of the total machine hours, 150 machine hours were lost due to material shortage and 200 machine hours were lost due to routine maintenance.	
Cost of Power : 2 units per running hour @ ₹ 500 per 100 units.	

Compute the Machine Hour Rate for Machine No. 505.

10

Please Turn Over

Group - C

Answer *any two* questions.

11. From the following particulars prepare a Statement of Cost and Profit for the year ended on 31.03.2024 and ascertain the per unit selling price : 13+2

	<u>01.04.2023</u>	<u>31.03.2024</u>
Raw Materials	₹ 42,000	₹ 28,000
W I P	₹ 36,800	₹ 42,000
Finished Goods (at cost of production)	₹ 2,88,000	₹ ?
	(8000 units)	(11000 units)

Other data for the year –

Raw materials purchased ₹ 2,70,000; Carriage inward ₹ 18,000; Raw materials destroyed by fire ₹ 12,000 (Insurance claim received ₹ 7,000); Productive Wages ₹ 1,40,000; Chargeable expenses ₹ 70,000; Factory expenses ₹ 1,20,000 (including depreciation on factory machinery of ₹ 20,000); Administration Overhead ₹ 80,000; Selling expenses ₹ 4 per unit and Distribution Overhead ₹ 52,870.

During the year 17000 units were sold at 30% profit on Sales.

Use FIFO method for valuation of finished goods.

12. A company has three production departments A, B, C and two service departments D and E. The following figures are extracted from the records of the company :

	₹
Rent and Rates	10,000
General lighting	1,200
Indirect Wages	13,000
Power	3,000
Depreciation of Machinery	20,000
Sundries	10,000

The following further details are available :

	A	B	C	D	E
Floor space (sq. metre)	2000	2500	3000	2000	500
Light points (Nos.)	100	150	200	100	50
Direct wages (₹)	6,000	4,000	6,000	3,000	1,000
H.P. of machines	60	30	50	10	–
Value of machinery (₹)	1,20,000	1,60,000	2,00,000	10,000	10,000
Working hours	3,113	2,014	2,033	–	–

(5)

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The expenses of D and E are allocated as follows :

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

(a) Determine the Overhead rate per hour.

(b) What is the total cost of an article, if its raw material cost is ₹ 150, labour cost is ₹ 130 and it passes through Departments A, B and C for 5, 6 and 8 hours respectively? 12+3

13. (a) The Cost Accountant of Y Ltd. has computed labour turnover rates for the month ended 31st March, 2024 as 10%, 5% and 3% respectively under 'Flux Method', 'Replacement Method' and 'Separation Method'.

If the number of workers replaced during that month is 60, find out the number of :

(i) Workers were recruited and joined

(ii) Number of workers were separated.

(b) What do you mean by 'Perpetual Inventory System'?

5+5+5