C-3047

SUBJECT CODE NO:- C-3047
FACULTY OF COMMERCE AND MANAGEMENT
B.Com S.Y (Sem-III)
Examination November/December- 2022
Cost Account-I - IV

[Time: 03:00 Hours]   **[Max. Marks: 80]**

Please check whether you have got the right question paper.

N.B
(1) Q. 1 is compulsory.
(2) Attempt any Four questions from Q.2 to Q.7
(3) Use of calculator is allowed.

Q.1   A) Select the most appropriate answer.   5
1) Cost accounting mainly helps the management in......
   a) Earning extra profits.
   b) Providing information to management.
   c) Fixing prices of the products.
   d) All of the above.

2) In a period of rising prices, the Following inventory method would result in the lowest cost of material used............
   a) Weighted average method.
   b) Simple average method.
   c) First -in First - out method.
   d) Last-in first - out method.

3) Which of the following methods of remuneration is most likely to give. Stability of labour cost of the employers.
   a) Straight piece Work.
   b) Premium bonus scheme.
   c) Measured day work.
   d) Group bonus scheme.

4) Which of the following methods as apportionment is most suitable for allocating the rent of building between Cost centers _____.
   a) Number of employees.
   b) Machine hours.
   c) Kilowatt hours.
   d) Floor area.

5) Which of the following is not a Component of prime cost......
    a) Direct materials.
    b) Direct labour.
    c) Direct expenses.
    d) Overhead.

B) Answers the following questions in one sentence each.   5
1) What is prime cost?
2) What is overheads?
3) What is time rate System?
4) What is Taylor, Differential piece work System
5) what is weighted average Rate System

C) Fill in the blanks and rewrite the   5
1) Sentences material + Indirect Labour +.......... = Overheads
2) Factory cost + administration overheads =..........
3) Bin Card is maintained by......
4) In........ method of pricing Closing Stock is valued at the oldest price paid.
5) Differential piece gate System provides for higher Wages to --------.Workers.

D) State the following statements are whether True or False.   5
1) Cost accounting is a branch of Financial accounting
2) Main purpose of cost accounting is to maximize profit.
3) Simple average method of pricing is a more scientific method they weighted average method.
4) In LIFO method, closing stock is valued at oldest prices of materials in stock.
5) Salary paid to Factory Supervisor is indirect wages.

Q.2   Explain the one elements of costs?   15

Q.3   The following transactions occur in the purchase and issue of a materials.   15
    (1) 02, January - 2019
       Purchased 4000 units @ RS.4 -00 per unit.
    (2) 20, January - 2019
       Purchased 500 units @ RS. 5-00 per unit.
    (3) 05 February - 2019
       Issued, 2000 units.
    (4) 10 February - 2019
       Purchased 6000 units RS.6-00 per units.
    (5) 12 February - 2019
       Issued 4000 units.
    (6) 02, march - 2019
       Issued 1000 units.
    (7) 05, march - 2019
       Issued 2000 units.
    (8) 15, march - 2019
       Purchased 4500 units @ RS. 5.50 Per unit.

(9) 20, march - 2019

Issued 3000 units.

From the above, prepare a store ledger account.

    (a) By adopting FIFO method of charging material issued.

<div align="center">and.</div>

    (b) By adopting the LIFO method. What would be the value of stock in hand at the end of period according to each of these two methods?

Q.4   During first week of April, 2019 the work man Mr. Sanket manufactured 300 articles. He receives   15 wages for a guaranteed 48 hours week at the rate of Rs.4 per hour. The estimated time to produce one article is 10 minutes and under incentive scheme the time allowed is increased by 20%

Calculate his gross wages according to –

    (1) Piece Work with a guaranteed weekly wage.

    (2) Rowan premium Bonus.

    (3) Halsey premium Bonus 5D% workman.

Q.5   The New Enterprises Ltd. has production Deportments x, y and z and two Service Departments E & 15 & F. The Following Figures are. Extracted from the records of the company.

Rates and rates	RS. 5000
General lighting	600
Indirect wages	1500
power	1500
Depreciation of machinery	10,000
Sundries	10,000

The following further details are available.

	Total	x	y	z	E.	F.
Floor space [sq. ft]	10,000	2000	2500	3000	2000	500
Light Points	60	10	15	20	10	5
Direct wages [RS.]	10,000	3000	2000	3000	1500	500
H.P. of machines	150	60	30	50	10	–
Value of machinery [RS.]	250,000	60,000	80,000	100,000	50,000	50,000
Working hours	–	6226	2028	4066	–	–

The expenses of E and F. are allocated as follows –

	x	y	z	E.	F.
E.	20%	30%	40%	–	10%
F.	40%	20%	30%	10%	–

What is the total cost of article if its raw material cost. Is Rs.50 labour cost RS. 30 and it passes through departments, x & y & z For, 4, 5 and 3 hours respectively.

Q.6   Compute the machine Hour Rate from the following data.   15

	RS.
cost of machine	100,000
Installation charges	10,000
Rent and Rates for the Shop per month	200
Estimated scrap value for after the expiry of its life [15 years.]	5000
General Lighting for the shop per month	300
Insurance premium for the machine per annum	960
Repairs and maintenance expenses per annum	1000
power Consumption - 10 units per hour	–
Rate of power per 10 units Estimated working hours per annum –2200	20
This includes setting up time of 200 hours	–
Shop Supervisor, 5 Salary p. month GPD	600

The machine occupies $\frac{1}{4}$ th of the total area of the shop. The Supervisor is expected to devote $\frac{1}{5}$ th of his time for supervising the machine.

Q.7   Write Short notes. [Any tree]   15
    (1) objectives of cost accounting
    (2) Selling and distribution Overheads.
    (3) Economic order quantity [EDq]
    (4) Bin Card.
    (5) Perpetual / inventory system.

4