



**3. Answer the following question:**

**5×1=5**

A workman's wages for a guaranteed 44-hour week is Rs.7.50 per hour. The estimated time to produce one article is 30 minutes and under an incentive plan, the time allowed is increased by 20%.

During a week, a worker produced 100 units. Calculate the wages under each of the following methods: - (a) Rowan System (b) Halsey System.

**OR**

Distinguish between cost accounting and financial accounting.

**4. Answer the following questions:-**

**10×2=20**

**(i) From the following figures, prepare a reconciliation statement**

	Rs.
Net profit as per financial books	63,780
Net profit as per costing books	66,760
Factory overhead under-recovered in costing	5700
Administration overhead recovered in excess	4250
Depreciation charged in financial books	3660
Depreciation recovered in costing	3950
Interest received but not included in costing	450
Income-tax provided in financial books	600
Bank interest credited in financial books	230
Stores adjustment (credited in financial books)	420
Depreciation of stock charged in financial accounts	860
Dividends appropriate in financial accounts	1200
Loss due to theft and pilferage provided only in financial books	260

**OR**

A product passes through two processes. The output of process I becomes the input of process II is transferred to warehouse. The quantity of raw material

introduced into process I is 20,000 kg at Rs.10 per kg. The cost and output data for the month under review are as under:

	Process I	Process II
Direct materials	Rs.60,000	Rs.40,000
Direct labour	Rs.40,000	Rs.30,000
Production overhead	Rs.39,000	Rs.40,250
Normal loss	8%	5%
Output	Rs.18,000	Rs.17,400
Loss realisation of Rs./unit	2.00	3.00

The company's profit is to fix the selling price of the end product in such a way as to yield a profit of 20% on selling price.

Prepare the process account and determine the selling price per unit of the end product.

**(ii) From the following information for the month of January, prepare a cost sheet.**

	Rs.
Direct material	57,000
Direct wages	28,500
Factory rent and rates	2,500
Office rent and rates	500
Plant repairs and maintenance	1,000
Plant depreciation	1,250
Factory heating and lighting	400
Factory manager's salary	2,000
Office salaries	1,600
Director's remuneration	1,500
Telephone and postage	200

Printing and stationary	100
Legal charges	150
Advertisement	1,500
Salesmen's salaries	2,500
Showroom rent	500
Sales	1,16,000

**OR**

The following annual charges are incurred in respect of a machine in a shop where manual labour is almost nil and where work is done by means of five machines of exactly similar type and specification:-

	Rs.
Rent and rates (proportional to the floor space occupied) for the shop	4,800
Depreciation on each machine	500
Repairs and maintenance for the five machines	1,000
Power consumed (as per meter) @ 5 paise per unit for the shop	3,000
Electric charges for lights in the shop	540
Attendants: There are two attendants for the five machines and they are each paid	Rs.60 per month
Supervision: For the five machines in the shop there is one supervisor whose emoluments are	Rs.250 p.m.
Sundry supplies such as lubricants, cotton waste etc for the shop	450
Hire purchase instalment payable for the machine	1200

The machine uses 10 units of power per hour. Calculate the machine hour rate for machine for the year.

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**BACHELOR OF COMMERCE**  
**First Semester**  
**Name of the Paper: Cost Accounting**  
**Paper Code: BCM-05**

**PART A: Objective**

**Duration: 20 minutes**

**Marks – 20**

**Choose the correct alternative from the following:**

**1x20=20**

**i) Aggregate of all direct costs is known as**

- |                |               |                       |
|----------------|---------------|-----------------------|
| a) works cost  | b) prime cost | c) cost of production |
| d) sales value |               |                       |

**ii) Method of costing used in toy making is**

- |                     |                    |
|---------------------|--------------------|
| a) batch costing    | b) job costing     |
| c) contract costing | d) process costing |

**iii) In ABC analysis, A stands for**

- |                       |                      |
|-----------------------|----------------------|
| a) high value items   | b) low value items   |
| c) medium value items | d) none of the above |

**iv) The level of material at which purchase requisition is initiated for fresh supplies is known as**

- |                   |                  |
|-------------------|------------------|
| a) Ordering level | b) danger level  |
| c) maximum level  | d) minimum level |

**v) Payroll sheet is prepared by**

- |                           |                            |
|---------------------------|----------------------------|
| a) personnel department   | b) payroll department      |
| c) engineering department | d) time keeping department |

**vi) Systematic evaluation of an employee's performance on the job in terms of the requirement of the job is known as**

- |                 |                   |
|-----------------|-------------------|
| a) merit rating | b) job evaluation |
| c) job analysis | d) work study     |

**vii) Computation of overhead absorption rates should be based on**

- |                     |                       |
|---------------------|-----------------------|
| a) maximum capacity | b) Practical capacity |
| c) normal capacity  | d) idle capacity      |

**viii) Telephone bills falls in the category of**

- |                       |                  |
|-----------------------|------------------|
| a) Fixed cost         | b) variable cost |
| c) Semi-variable cost | d) stepped cost  |

**ix) Purely financial charges is**

- |                      |                        |
|----------------------|------------------------|
| a) Discount on bonds | b) notional rent       |
| c) Notional salaries | d) interest on capital |

x) Warehousing cost is

- a) Production overhead
- b) factory overhead
- c) selling overhead
- d) distribution overhead

xi) Allotment of whole items of overhead to cost centres is known as

- a) allocation
- b) apportionment
- c) classification
- d) absorption

xii) When absorbed overheads are Rs.23,540 and actual overhead are Rs.22,400

there is

- a) under absorption of Rs.1,140
- b) over-absorption of Rs.1,140
- c) under absorption of Rs.45,940
- d) over-absorption of Rs.45,940

xiii) Cost centre which consists of allocation or an item of equipment is known as

- a) personal cost centre
- b) impersonal cost centre
- c) service cost centre
- d) production cost centre

xiv) Cost which remains fixed over a specific range of activity for a specified period of time is known as

- a) fixed cost
- b) variable cost
- c) semi-variable cost
- d) direct cost

xv) Direct wages- Rs. 15400, direct labour-Rs.6,000, prime cost is

- a) Rs.21,400
- b) Rs.8,000
- c) Rs.6,000
- d) Rs.15,400

xvi) Number of workers as on 1.1.2004= 7600

Number of workers as on 31.12.2004= 8400

Average number of workers is

- a) 8000
- b) 6000
- c) 4000
- d) 10,000

xvii) Basis of apportionment of rent and rates is

- a) Light points
- b) actual
- c) floor space
- d) H.P of machines

xviii) Production overhead of machine = Rs 25,000

Number of machine hours =2,000

Machine hour rate is

- a) Rs12.50
- b) Rs 9.50
- c) Rs 4.80
- d) 12.80

xix) Percentage of factory overhead to direct wages when factory overhead Rs 45000 and direct wages Rs75,000 is

- a) 50%
- b) 40%
- c) 60%
- d) 90%

xx) When sales-Rs.15,79,800 and profit-Rs.48,200 then cost of sales is

- a) Rs.15,31,600
- b) Rs.14,20,100
- c) Rs.18,20,600
- d) Rs.15,20,180

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