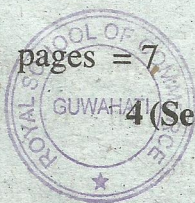


Total No. of printed pages = 7



4 (Sem-1) COAC (M1)

2011

COST ACCOUNTING

(Major)

Full Marks – 80

Time – Three hours

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

Answer *all* questions.

1. Answer the following as directed : $1 \times 10 = 10$
 - (a) Aggregate of all direct cost is known as ———.
(Fill in the blank)
 - (b) Costing systems are classified according to the nature of operations.
(State whether the statement is true or false)
 - (c) A cost unit is regarded as a unit of product, service or time in relation to which cost may be ascertained or expressed.
(State whether the statement is true or false)

[Turn over

(d) Job order costing is not applied where work is undertaken to customers' special requirements.

(State whether the statement is true or false)

(e) In periods of rising prices, profit and tax liability under LIFO would be lower than under FIFO.

(State whether the statement is true or false)

(f) Wages under piece rate system are paid according to the — of work done.

(Fill in the blank)

(g) In Cost Accounting, auditing expenses are examples of — overhead.

(Fill in the blank)

(h) Fixed overhead cost per unit remains fixed when output level changes.

(State whether the statement is true or false)

(i) Cost of normal loss in process costing is borne by the goods produced.

(State whether the statement is true or false)

(j) The question of reconciliation of cost accounts with financial accounts arises only under non-integral system.

(State whether the statement is true or false)

2. Write short answer to the following in about 50 words each : $2 \times 5 = 10$

(a) State the meaning of cost in respect of cost accounting.

(b) State the meaning of idle time in labour costing.

(c) State the meaning of time rate in wage payment.

(d) State the meaning of direct labour.

(e) State the meaning of stores ledger.

3. Write short notes on any *four* of the following : $5 \times 4 = 20$

(a) Economic order quantity (EOQ)

(b) Methods of overhead absorption

(c) Perpetual inventory system

(d) Cost centres

(e) Cost accounting vs financial accounting.

4. Explain the advantages and limitations of cost accounting. How is a cost accounting system installed ? 10

Or

Rangia Trading Company furnishes the following data relating to the manufacture of a standard product during the month of April 2009 :

Raw materials consumed Rs. 15,000

Direct labour charges Rs. 9,000

Machine hours worked 900

Machine hour rate Rs. 5

Administration overhead 20% on works cost

Selling overhead Re. 0.50 per unit

Unit produced 17,100

Unit sold 16,000 at Rs. 4 per unit.

Prepare a cost sheet from the above, showing

(i) the cost per unit

(ii) cost per unit sold and profit for the period.

10

5. The following information is provided by Shorbhog Candle Producing Company for the fortnight of April, 2011 : 10

Materials in hand :

Stock on 1. 4. 2011 = 100 units at Rs.5 per unit

Purchases of materials :

5. 4. 2011 300 units at Rs. 6

8. 4. 2011 500 units at Rs. 7

12. 4. 2011 600 units at Rs. 8

Issues of materials :

6. 4. 2011 250 units

10. 4. 2011 400 units

14. 4. 2011 500 units

Calculate using FIFO and LIFO methods of pricing issues ;

(i) the value of materials consumed during the period ; and

(ii) the value of stock of materials on 15. 4. 2011.

Or

State the significance of inventory control. Explain the various techniques of inventory control.

10

6. The following are the particulars extracted from the ice cream factory of Sonapur : 10

Standard time = 10 hours

Time rate = Rs. 3 per hour

Prepare a comparative table under Halsey Plan and Rowan Plan if time taken is 9 hours, 8 hours and 6 hours.

From the calculated table show the amount of bonus payable ; the amount of total wages and labour cost per hour under the two methods.

Or

- (a) Explain the difference between direct and indirect expenses and highlight the importance of such a distinction.

- (b) Describe the causes of labour turnover and indicate technique of its measurement.

5+5=10

7. From the following information, you are asked to pass journal entries under the integrated accounts system : 10

Rs.

Materials purchased on credit 25,000

Wages paid 32,000

| | Rs. |
|---|--------|
| Wages—productive | 28,000 |
| Wages—unproductive | 4,000 |
| Materials issued to production | 23,000 |
| Works expenses incurred | 12,000 |
| Works expenses charged to production | 14,000 |
| Administration expenses paid | 8,800 |
| Administration expenses charged to production | 8,600 |
| Sales (Cash) | 78,000 |
| Finished goods at cost | 60,000 |

Or

What are the different methods of classifying overheads ? Explain the principles on which apportionment of overhead is based. 10