

The Assam Royal Global University, Guwahati
Royal School of Commerce
B. Com. 3rd Semester
Semester End Examination, January 2022
Cost Accounting (Major)
Code: COM042D305

Time: 3 Hours

Maximum Marks: 70

Note: Attempt all questions as per instructions given.
The figures in the right-hand margin indicate marks.

Section - A

- Q. 1. Attempt **all** questions. (Maximum word limit 50) 2x8=16
- a. Give the meaning of cost centre. 2
 - b. State the elements of cost. 2
 - c. Mention the elements of Perpetual Inventory System. 2
 - d. Explain Motion study. 2
 - e. Distinguish between Cost allocation and Cost apportionment. 2
 - f. Mention the cardinal principles of apportionment of overheads. 2
 - g. Distinguish between Job Costing and Process Costing. 2
 - h. What is Contract Costing? 2

Section - B

- Q. 2. Attempt **any two** of the following. (About 300 words) 7x2=14
- a. 'The emergence of Cost Accounting is a result of the drawbacks of Financial Accounting.' Discuss.
 - b. Mr. Prabhu furnishes the following data relating to the manufacture of a product on 30.6.2017:

Raw materials purchased	Rs. 30,000	
Direct labour charges	Rs. 25,000	
Rent, rates & insurance of work	Rs. 10,000	
Stock on 1.1.2017:		
Raw materials	Rs. 5,000	
Finished Products (2,000 units)	Rs. 4,000	
Work-in-progress	Rs. 1,200	
Carriage Inwards		Rs. 360
Stock on 30.6.2017:		
Raw materials	Rs. 5,560	
Finished Products (1,000 units)	Rs. 8,000	
Work-in-progress	Rs. 4,000	
Cost of supervision		Rs. 2,000

P.T.O

Sales of Finished Products

Rs. 75,000

Advertising, discount allowed and selling expenses amount to Rs. 0.25 per tonne sold. 16,000 tonnes of the product were produced during the period. Prepare a statement of cost showing (a) value of raw materials used (b) Cost of output for the period (c) Cost of turnover for the period (d) Net profit for the period & Net profit per tonne of the product.

- c. 'Cost Accounting has become an essential tool of management.' Give your comments on this statement.

Q. 3. Attempt **any two** of the following. (About 300 words)

7x2=14

- a. What is material control? Explain the purchase procedure of a centralized purchasing organization.
- b. Anil Co. buys its annual requirement of 36,000 units in 6 instalments. Each unit has a cost of Re. 1 and the ordering cost is Rs. 25. The inventory carrying cost is estimated at 20% of unit value. Find the total annual cost of the existing inventory policy. How much money can be saved by Economic Order Quantity?
- c. Calculate normal and overtime wages payable to a workman on the basis of :

<i>Days</i>	<i>Hours worked</i>
Monday	9
Tuesday	8
Wednesday	10
Thursday	11
Friday	9
Saturday	5

Normal working hours - 8 hours per day

Normal rate of wages - Rs. 1.25 per hour

Overtime pay is as under:

Upto 9 hours in a day at single rate and over 9 hours in a day at double rate, or upto 48 hours in a week single rate and over 48 hours at double rate, whichever is more beneficial to the workman.

Q. 4. Attempt **any two** of the following. (About 300 words)

7x2=14

- a. What is absorption of overheads? State the reasons for over-absorption or under-absorption of overheads. Give the accounting treatment of over-absorption or under-absorption.

- b. Calculate Machine Hour Rate.

Purchase price of machine with scrap value zero Rs. 90,000

Installation and incidental charges incurred on machine Rs. 10,000

Life of the machine is 10 years of 2,000 working hours each

Repairs charges 50% of depreciation

Machine consumes 10 units of electric power per hour @ Rs. 0.40 per unit

Oil expenses @ Rs. 2 per day of 8 hours

Consumable Stores @ Rs. 10 per day of 8 hours

P.T.O.

Two workers are engaged on the machine @ Rs. 4 per day of 8 hours.

- c. Prepare a Reconciliation Statement and necessary statements from the following:
- Opening stock of raw materials Rs. 60,000
 - Opening stock of finished goods Rs. 1,20,000
 - Purchase of raw materials Rs. 3,60,000
 - Stock of raw materials at the end Rs. 90,000
 - Stock of finished goods at the end Rs. 30,000
 - Wages Rs. 1,50,000
- Calculate factory overhead @ 25% on prime cost and office overhead at 75% on factory overhead. Actual works expenses amounted to Rs. 1,16,250 and actual office expenses amounted to Rs. 91,500. The selling price was fixed at a profit of 20% of the selling price.

Q. 5. Attempt **any two** of the following. (About 300 words)

6x2=12

- a. Describe the ascertainment of profit on incomplete contracts.
- b. In Process B, 75 units of a commodity were transferred from Process A at a cost of Rs. 1,310. The additional expenses incurred by the process were Rs. 190. 20% of the units entered are normally lost and sold @ Rs. 4 per unit. The output of the process was 70 units. Prepare Process B Account and Abnormal Gain Account.
- c. Data relating to Job No. 707 is given:
- Direct Material Rs. 4,010
 - Wage details:
 - Department A – 60 hours @ Rs. 3 per hour
 - Department B – 40 hours @ Rs. 2 per hour
 - Department C – 20 hours @ Rs. 5 per hour
 - Variable overheads:
 - Department A – Rs. 5,000 for 5,000 hours
 - Department B – Rs. 3,000 for 1,500 hours
 - Department C – Rs. 2,000 for 500 hours
- Fixed expenses estimated at Rs. 20,000 for 10,000 working hours. Calculate cost of Job No. 707 and the price to give a profit of 25% on the selling price.
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The Assam Royal Global University, Guwahati
Royal School of Commerce
B.Com. 4th Semester
Semester End Examination, October 2021
Course Title : Entrepreneurship & Small Business Management
Course Code : COM042C403

Time: 3 Hours

Maximum Marks: 70

Note: Attempt all questions as per instructions given.
The figures in the right-hand margin indicate marks.

Section – A

- 1. Attempt all questions. (Maximum word limit 50) 2 x 8**
- a. What do you mean by entrepreneurship?
 - b. Write any two differences between entrepreneur and intrapreneur.
 - c. Write a brief note on the functions of EPIP.
 - d. Write any two problems faced by SSI in India.
 - e. What is NEISBUD?
 - f. Write any two objectives of KVIC.
 - g. Write the meaning of angel investment.
 - h. Write the meaning of project identification.
- 2. Attempt any one of the following: 12 x 1**
- a. Elaborate the role of entrepreneurs in economic growth and development of the country.
 - b. Discuss in details the different types of entrepreneurship.
- 3. Attempt any two of the following: 7 x 2**
- a. Discuss the role and significance of SSI in Indian economy.
 - b. Give an overview of the MSME Act, 2006 and also discuss the role of the Act in economic growth.
 - c. Write the importance of EPZs in the economic development.