

**WEST BENGAL STATE UNIVERSITY**

B.Com. Honours 2nd Semester Examination, 2022

FACACOR03T-B.Com. (CC3)**COST AND MANAGEMENT ACCOUNTING-I**

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A**Answer any two questions from the following**

10×2 = 20

1. (a) What is meant by Cost Accounting? 2+8
(b) Distinguish between Cost Accounting and Financial Accounting.

2. (a) What is ABC Analysis? 2+8
(b) S. Ltd. furnishes you the following information:

Average usage per month	1,000 units
Re-order quantity	3,000 units
Maximum usage per month	1,200 units
Minimum usage per month	800 units
Time lag for procurement of materials:	
Maximum	6 months
Minimum	2 months

Compute:

- (i) Average Stock Level
(ii) Re-ordering Level
(iii) Minimum Stock Level
(iv) Maximum Stock Level

3. (a) From the following information prepare a Reconciliation Statement: 7+3

Details	As per Financial Records (Rs.)	As per Cost Records (Rs.)
Closing Stock	8,160	8,560
Factory Expenses	24,260	21,000
Office Expenses	10,680	10,000
Selling Expenses	14,200	15,000
Depreciation	2,200	1,600
Rent Received	5,200	--
Net Profit	40,600	39,540

- (b) Briefly explain the reasons for preparation of Reconciliation Statement between Cost Accounts and Financial Accounts.

4. (a) Mention two methods of computing Labour Turnover with formula. 4
(b) The following information are available for MS. Ltd. in 2021: 6

No. of employees at the beginning of 2021	360
No. of employees at the end of 2021	646
No. of employees resigned	42
No. of employees discharged	65
No of employees replaced	58

Calculate Labour Turnover under three different methods.

5. A transport company supplies the following details in respect of a truck of 5 ton capacity: 7+3

Cost of truck	Rs. 90,000
Estimated life	10 years
Diesel, oil, grease	Rs. 15 per trip each way
Repairs and maintenance	Rs. 500 per month
Driver's wages	Rs. 500 per month
Cleaner's wages	Rs. 250 per month
Insurance	Rs. 4,800 per year
Taxes	Rs. 2,400 per year
General Supervision Charges	Rs. 4,800 per year

The truck carries goods to-and-from the city covering a distance of 50 km each way. On upward trip freight is available to the extent for full capacity and on return only to the extent of 20% of capacity.

Assuming that the truck runs, on an average, 25 days a month, work out:

- (i) Operating cost per-ton-kilometre.
(ii) Rate per ton per trip that the company, should charge, if a profit of 50% on freightage is to be earned.

6. Write short notes on the following (any *two*): 5×2=10
(i) Economic Order Quantity
(ii) Job Costing
(iii) Opportunity Cost
(iv) Absorption of overhead.

GROUP-B

Answer any *two* questions from the following

15×2 = 30

7. The Accounts of SB Co. Ltd. shows for 2021: 9+6

	(₹)
Material used	1,80,000
Manual and Machine Labour Wages directly chargeable	1,60,000
Work overhead expenditure	40,000
Establishment and General Expenditure	19,000

- (i) Show work cost and total cost, the percentage that works overhead cost bears to the manual and machine labour wages and the percentage that the establishment and general expenses bears to the work cost.

- (ii) What price should the company quote to manufacture a machine, it is estimated will require an expenditure of ₹8,000 on material and ₹6,000 on wages so that it will yield a profit of 25% on total cost?

8. (a) Distinguish between allocation and apportionment of overhead.

5+10

- (b) Compute machine hour rate of a machine in a shop consisting of 3 machines occupying equal floor space. Following details are supplied for the machine of which estimated working hours per year are fixed at- 2,500 hours in which normal idle time is estimated at- 20% of the standard time.

	Rs.
Rent and taxes of the shop per annum	3,600
General Electricity for the shop per month	200
Repairs and maintenance expenses for the machine per annum	600
Rate of power charges for 100 units (the machine consuming 10 units per hour)	3
Foreman's salary for supervising all the machines per month	750
Indirect labour cost Rs. 2 per hour for the machine	

The machine costs Rs. 1,30,000 and scrap value is estimated at Rs. 10,000 and estimated life is 10 years.

The foreman devotes equal attention to each machine in the shop.

9. A product pass through two process A and B. During the year 2021, the input to Process A of basic raw material was 8,000 units @ Rs. 9 per unit. Other information for the year is as follows:

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Particulars	Process-A	Process-B
Output units	7,500	4,800
Normal Loss (% to input)	5%	10%
Scrap Value per unit (Rs.)	2	10
Direct Wages (Rs.)	12,000	24,000
Direct Expenses (Rs.)	6,000	5,000
Selling Price per unit (Rs.)	15	25

Total overheads Rs. 17,400 were recovered as percentage of direct wages. Selling expenses were Rs. 5,000. These are not allocate to the processes. 2/3 of the output of Process A was passed on to the next process and the balance was sold. The entire output of Process B was sold. Prepare Process A and Process B Account.

10. Prepare Contract Account from the following details:

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	Rs.
Materials sent to site	1,50,000
Wages	1,80,000
Outstanding wages	3,000
Other expenses	26,000
Plant sent to site	2,00,000
Materials returned to store	5,000
Closing stock of materials	8,000
Material stolen	10,000
Insurance claim received for stolen materials	7,000
Work uncertified	11,000
Cash received	3,60,000

Depreciation @ 10% is to be charged on Plant and Cash has been received to the extent of 90% of Work Certified. Assume that the contract is 70% finished.

11. The following are the particulars of the receipts and issues of materials in a factory during January 2022: 15

January	2	Opening balance	1,000 kg @ Rs. 30
	3	Issued	140 kg
	4	Issued	200 kg
	8	Issued	160 kg
	13	Received from Vendor	400 kg @ Rs. 35
	15	Return of surplus from a work order	30 kg @ Rs. 28
	16	Issued	360 kg
	18	Received from Vendor	600 kg @ Rs. 32
	20	Issued	550 kg
	22	Received from Vendor	400 kg @ Rs. 34
	24	Issued	250 kg
	29	Return of surplus from a work order	40 kg @ 32
	30	Received from Vendor	200 kg @ Rs. 36

You are required to prepare a Stores Ledger under FIFO principles.

12. Write short notes on (any *three*): 5×3=15

- (i) Integrated Cost Accounting
- (ii) Semi Variable Cost
- (iii) Treatment of Idle Time in Cost Accounting
- (iv) Composite Unit
- (v) Retention Money.

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

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