

SEAT No. \_\_\_\_\_



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**SARDAR PATEL UNIVERSITY**

**B.COM (Hon)(3Years), EXAMINATION :III<sup>rd</sup> SEMESTER**

**SATURDAY, DATE: 12<sup>th</sup> November 2022**

**SESSION: NOON, TIME: 02:00 P. M. to 05:00 P.M.**

**SUBJECT/COURSE CODE: UB03CCOH52. PAPER NO:-**

**SUBJECT/COURSE TITLE: Cost Accounting**

**Total Weightage/Marks:70**

Note: Figure to the right indicate full marks of the questions.

Que.1.What is Cost Accounting? Describe the advantages and limitation of Cost Accounting. (18)

**OR**

Que.1(A). Explain: Methods of Cost Accounting. (09)

(B). Describe: Difference between Cost Accounting and Financial Accounting. (09)

Que.2. The following particulars are obtained from the books of RK Ltd. For the year 2021. (17)

Production and sales 2,400 units  
Direct materials Rs. 3,21,600  
Direct wages Rs. 2,04,000  
Direct expenses Rs. 28,800  
Factory overheads (60 % fixed) 2,04,000  
Office overheads (fixed) Rs.1,15,200  
Selling overheads (80 % variable ) Rs.48,000  
Rate of Profit on sale 20 %

For the year 2022, it is estimated that-

- (1) The Production and Sales will increase by 3,600 Units.
- (2) Direct Materials per unit will rise by Rs.18.
- (3) Direct wages per unit will fall by Rs. 20 %.
- (4) Fixed factory overheads will be increased by Rs. 4,800.
- (5) Variable selling overheads will increased by Rs.1.60 per unit.
- (6) The rate of profit on cost will remain same as per the previous year.

Prepare:

- (1) Statement of cost showing total as well as per unit cost and profit for the year 2021.
- (2) A statement of cost showing estimated profit for the year 2022.

**OR**

Que.2. (A). From the following data prepare a reconciliation statement (09)

- (1) Profit as per cost accounts Rs.1,50,000
- (2) Works overhead under recovered Rs.10,000

- (3) Administrative overhead under recovered Rs.23,000
- (4) Selling overhead over recovered Rs. 20,000
- (5) Over valuation of opening stock in cost accounts 15,000
- (6) Over valuation of closing stock in cost accounts Rs.8,000
- (7) Interest earned during the year Rs.3,500
- (8) Rent received during the year Rs. 27,000
- (9) Bad debts written off during the year Rs.9,000
- (10) Preliminary expenses written off during the year Rs.20,000

(B). Discuss: Causes of disagreement of profit as per Cost and Financial Accounts. (08)

Que.3. (A). Explain: Types of material. (08)

(B). A worker is allowed 108 hours to complete a job on time wages. He completes the job in 72 hours on piece wages. His time wage is Rs. 2 per hour. Material Cost of a product is Rs.96 and factory overheads are recovered at 150 % of the total direct wages.

Calculate the factory cost of the product under:

- (1) Piece wage plan.
- (2) Halsey wage plan.
- (3) Rowan wage plan.

OR

Que.3. (A). Discuss: Causes and Remedies of Labour Turn Over. (08)

(B). From the following information calculate: (10)

- (a) Re-order level.
- (b). Minimum stock level.
- (c). Maximum stock level.
- (d). Average stock level.
- (e). Danger stock level.
- (1). Maximum delivery period 90 days.
- (2). Average delivery period 70 days.
- (3). Minimum delivery period 50 days.
- (4). Maximum delivery period for emergency purchase 10 days.
- (5). Maximum rate of consumption per day 60 units.
- (6). Average rate of consumption per day 50 units.
- (7). Minimum rate of consumption per day 40 units.
- (8). Ordering quantity 1,200 units.

Que.4. KK Engineering Ltd. has three production Departments A,B and C and two service departments X and Y. The following figures are extracted from the records of the company. (17)

Rent & Rates Rs. 1,20,000.

General Lightings Rs. 18,000.

Indirect Wages Rs. 27,000.

Power Rs. 18,000.

Depreciation of Machinery Rs. 2,00,000.

Sundries Rs. 10,000

Canteen expenses Rs.15,000

The following further details are available:

Particulars	Dept. A	Dept. B	Dept. C	Dept. X	Dept. Y
Floor Space (Sq. Ft.)	4,000	5,000	6,000	4,000	1,000
Light Points	20	30	40	20	10
Direct Wages (Rs.)	24,000	16,000	24,000	12,000	4,000
H. P. Of machines	120	60	100	20	-
Value of Machines (Rs.)	1,20,000	1,60,000	2,00,000	10,000	10,000
Working Hours	12,000	8,000	8,400	-	-
No. of workers	50	60	40	30	20

The expenses of X and Y Departments are allocated as follows:

	A	B	C	X	Y
Department X	20%	30%	40%	-	10%
Department Y	40%	20%	30%	10%	-

OR

**Que.4.** Following are the particulars of one machine for the month of May 2021. From (17)

that calculate machine hour rate.

- (1) Cost of Machine Rs. 10,00,000
- (2) Scrape value after its estimate life Rs.1,00,000
- (3) Estimated annual repairs and maintenance Rs.24,000
- (4) Monthly rent of factory Rs.14,000
- (5) Monthly salary of a worker Rs.2,000
- (6) Monthly expenses of the chemical used to run this machine Rs.4,000
- (7) Monthly indirect expense Rs.6,000
- (8) Annual insurance premium at the rate of 2 %
- (9) Estimated Life of machine 2,00,000 hours
- (10) Monthly working hours 4,000
- (11) Setting up time of this machine 200 hours
- (12) Power consumption is 5 units per hour and rate per unit is Rs 2.
- (13) Four workers who are working on this machine also take care of two other machines.
- (14) Machine occupies 1/5 space of the factory.

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