



**Bc/BC/M4**

**2024**

**( FYUGP )**

**( 4th Semester )**

**COMMERCE**

**( Minor )**

**Paper Code : BC/M4**

**( Cost Accounting )**

**Full Marks : 75**

**Pass Marks : 40%**

**Time : 3 hours**

**( PART : B—DESCRIPTIVE )**

**( Marks : 50 )**

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

1. (a) What is Cost Accounting? What are the advantages of Cost Accounting? 3+7=10

*Or*

- (b) The following extract of costing information relates to commodity A for the half year ending 31st December, 2023 :

Purchase of Raw Materials	₹ 1,20,000
Works Overheads	48,000

Direct Wages	₹
Carriage on Purchase	1,00,000
Stock (1st July, 2021) :	1,440
Raw Materials	20,000
Finished Products (1000 tons)	16,000
Work-in-Progress	4,800
Stock (31st December, 2023) :	
Raw Materials	22,240
Finished Products (2000 tons)	32,000
Work-in-Progress	16,000
Sales—Finished Products	3,00,000

Selling and Distribution Overheads are ₹ 1 per ton sold. 16000 tons of commodity were produced during the period.

You are to ascertain (i) cost of raw materials used, (ii) cost of output for the period, (iii) cost of sales, (iv) net profit and (v) net profit per ton.  $2 \times 5 = 10$

2. (a) Following transactions for the month of April are available :

April	1	Balance in hand b/f	300 units @ ₹ 2
"	2	Purchased	200 units @ ₹ 2.20
"	4	Issued	150 units
"	6	Purchased	200 units @ ₹ 2.30
"	11	Issued	150 units
"	19	Issued	200 units
"	22	Purchased	200 units @ ₹ 2.40
"	27	Issued	250 units

You are required to prepare Store Ledger with the method most suitable for the above situation.

10

Or

(b) What is Labour Turnover? Discuss the different methods of measuring it. 3+7=10

3. (a) What is overhead? Discuss various classifications of overheads. 3+7=10

Or

(b) A company has three production departments and two service departments, and for a period the departmental distribution summary has the following totals :

Production Departments :

$P_1$	800	
$P_2$	700	
$P_3$	<u>500</u>	2,000

Service Departments :

$S_1$	234	
$S_2$	<u>300</u>	534
		<u>2,534</u>

The expenses of the service departments are charged out on a percentage basis as follows :

	$P_1$	$P_2$	$P_3$	$S_1$	$S_2$
Service Dept. $S_1$	20%	40%	30%	—	10%
Service Dept. $S_2$	40%	20%	20%	20%	—

Prepare a statement showing the apportionment of two service departments expenses to production department by Repeated Distribution Method.

10

4. (a) What is Job Order Costing? Describe briefly the procedure of recording costs under job order cost system. 3+7=10

Or

- (b) A product passes through three processes. During March 2023, 1000 finished units were produced with the following expenditure :

	Process—A ₹	Process—B ₹	Process—C ₹
Direct Materials	1,500	2,600	2,000
Direct Wages	5,000	4,000	3,000

Overhead expenses amounted in all to ₹ 6,000. They are to be apportioned on the basis of direct wages. Main raw materials issued to Process A (besides above) were worth ₹ 6,000.

Ignoring the question of stock, prepare Process A/c.

10

5. (a) The following expenditure was incurred, on a contract of ₹ 12,00,000 for the year ending 31.12.2023 :

	₹
Materials	2,40,000
Wages	3,28,000
Plant	40,000
Overhead	17,200

Cash received on account of the contract to 31st December, 2023 was ₹ 4,80,100 being 80% of the work certified. The value of materials in hand was ₹ 20,000. The plant had undergone 20% depreciation.

Prepare Contract A/c.

10

Or

- (b) What is the need of Reconciliation of Cost and Financial A/cs? Write reasons for disagreement. 5+5=10

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**( Cost Accounting )**

**( PART : A—OBJECTIVE )**

**( Marks : 25 )**

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

**1.** Choose the correct answer from the given options and place its code in the brackets provided :  $1 \times 15 = 15$

**(a)** Cost Accounting is useful for

- (i)** ascertaining the financial position of a firm
- (ii)** ascertaining the profit or loss of a firm
- (iii)** controlling cost
- (iv)** None of the above

[       ]

(b) When cost price is ₹ 800 and profit on sale is 20%, the profit shall be

(i) ₹ 160

(ii) ₹ 80

(iii) ₹ 100

(iv) ₹ 200

[      ]

(c) Bad Debts are

(i) office expenses

(ii) selling expenses

(iii) distribution expenses

(iv) financial expenses

[      ]

(d) Bin Card

(i) makes a record of quantities only

(ii) is maintained by the costing department

(iii) makes posting of transaction periodically

(iv) is usually kept outside the shares [      ]

(e) Payment on the basis of work done irrespective of the time taken by the worker is called

(i) time rate system

(ii) premium plan

(iii) piece rate system

(iv) bonus plan [      ]

(f) How many piece rates are set for each job in Taylor's differential piece rate system?

(i) Two

(ii) Three

(iii) Four

(iv) Many [      ]

(g) Supervisor's salary is

- (i) fixed overhead
- (ii) variable overhead
- (iii) semi-variable overhead
- (iv) semi-fixed overhead

[       ]

(h) Overtime is an example of

- (i) fixed overhead
- (ii) variable overhead
- (iii) semi-variable overhead
- (iv) semi-fixed overhead

[       ]

(i) Warehousing cost belongs to

- (i) office overhead
- (ii) material cost
- (iii) distribution overhead
- (iv) direct cost

[       ]

(j) Each Job has a \_\_\_\_\_ prepared for it that bears the job number and which is used to collect all cost data relating to job.

(i) job time sheet

(ii) job cost card

(iii) job ticket

(iv) job account

[      ]

(k) The unit of costing used in brick making industry is

(i) a ton of coal

(ii) a quintal of sugar

(iii) a tonne of cement

(iv) 1000 bricks

[      ]

(l) The process costing is **not** used in which one of the following?

(i) Chemical

(ii) Textile

(iii) Cement

(iv) Oil refining

[      ]

(m) If the amount of work certified is less than \_\_\_\_\_ of the contract price, then no profit should be taken to Profit & Loss A/c.

(i) 20%

(ii) 25%

(iii)  $33\frac{1}{3}\%$

(iv) 40%

[      ]

(n) Which of the following items is **not** included in financial books?

(i) Donations

(ii) Loss on Sale of Fixed Assets

(iii) Notional rent

(iv) Interest on Capital [      ]

(o) Which of the following items is **not** included in Cost A/c?

(i) Interest received on bank deposits

(ii) Dividend paid

(iii) Debenture interest

(iv) All of the above [      ]

2. Write short notes on the following :

2×5=10

(a) Cost Sheet

(b) FIFO

(c) Absorption

(d) Batch Costing

(e) Contract Costing

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