

B.Com. 4th Semester
COST ACCOUNTING
Paper-BCG-406

Time Allowed—2 Hours]

[Maximum Marks—50

Note :—There are **EIGHT** questions of equal marks.
Candidates are required to attempt any **FOUR**
questions.

1. What is the need of Cost Accounting ? State its objectives.
2. From the following particulars relating to the production and sales for the year ended 30th June 2013, prepare Cost Sheet showing Prime Cost, Works Cost, Cost of Sales and Profit per unit :

Particulars	Rs.
Raw material purchased as on 1.7.2012	12,500
Work in progress as on 1.7.2012 at prime cost = Rs. 15,000	
Add manufacturing expenses = Rs. 3,000	18,000
Finished goods at cost as on 1.7.2012 (8000 units)	60,000
Raw material purchased	1,00,000

Particulars	Rs.
Freight on raw material purchased	5,000
Loss of material by fire	5,000
Factory expenses	70,000
Chargeable expenses	25,000
Direct labour	1,35,000
Administrative expenses @ Rs. 2	—
Selling expenses @ Re. 1	—
Distribution expenses	15,000
Sale of finished goods (28000 units)	4,00,000
Raw material as on 30.6.2013	20,000
Work in progress as on 30.6.2013 at prime cost = Rs. 10,000	
Add manufacturing expenses = Rs. 8,000	18,000
Stock of finished goods as on 30.6.2013 (10000 units)	?

Assume sales are made on FIFO basis.

3. Explain normal wastage, abnormal wastage and abnormal gain. Discuss their treatment in process accounts.
4. M/s. Promising Company undertook a contract for erecting a sewerage treatment plant for Prosperous Municipality for a total value of Rs. 24 lakhs. It was estimated that the job would be completed by 31st January, 2014. Prepare contract account for the

year ending 31st January, 2013 from the following particulars :

1. Materials = Rs. 3,00,000
 2. Wages = Rs. 6,00,000
 3. Overhead charges = Rs. 1,20,000
 4. Special plant = Rs. 2,00,000
 5. Work certified was for Rs. 16,00,000 and 80% of the same was received in cash.
 6. Material lying on site as on 31.1.2013 was Rs. 40,000.
 7. Depreciate Plant by 10%.
 8. 5% of the value of material issued and 6% of wages may be taken to have been incurred for the portion of the work completed but not yet certified. Overheads are charged as a percentage of direct wages.
 9. Ignore depreciaton of Plant for use on uncertified portion of the work.
 10. Ascertain the amount to be transferred to Profit and Loss Account on basis of realised profit.
5. What is the need of Reconciliation ? What are the causes of disagreement of results shown by cost accounts and financial accounts ?
6. From the following data plot a Break even chart showing :
- (a) Break-even point
 - (b) Margin of safety and profit

- (c) Number of units to be sold for a profit of Rs. 2,000.

	Rs.
Selling price	5 per unit
Variable cost	3 per unit
Fixed cost	3000

Total number of units sold = 2000 units

Show mathematical computations to verify your calculations.

7. What are objectives of budgetary control ? Give its advantages and disadvantages.
8. Find out the following Material variances :
 - (a) Material Cost Variance
 - (b) Material Price Variance
 - (c) Material Usage Variance
 - (d) Material Mix Variance
 - (e) Material Yield Variance

Standard Material	Standard Mix	Rs.	Actual Material	Actual Mix
X	60 kg @ Rs. 5	300	X	56 kg @ Rs. 8
Y	40 kg @ Rs. 10	400	Y	44 kg @ Rs. 9
	100 kg	700		100 kg
Loss 30%	30 kg	–	Loss 25%	25 kg
	70 kg	700		75 kg