

B.Com. 4th Semester (Batch 2020-23)

BCG-406 : COST ACCOUNTING

Time Allowed—3 Hours] [Maximum Marks—50

Note :— Attempt *five* questions in all, selecting at least *one* question from each section. The *fifth* question may be attempted from any section. All questions carry equal marks.

SECTION—A

1. Discuss classification of costs.
2. Prepare a cost sheet from the following :

Direct Labour Cost (160% of Factory overhead)		Rs. 16,000
Cost of Goods Sold		Rs. 56,000
	Opening (Rs.)	Closing (Rs.)
Raw Materials	8,000	8,600
Work in Progress	8,000	12,000
Finished Goods	14,000	18,000
Other Data :		
Selling Expenses		3,400
General and Administrative Expenses		2,600
Sales for the month		75,000

SECTION—B

3. Write notes on :
- Ascertainment of profit on completed contracts
 - Ascertainment of profit on contracts nearing completion.
4. The product of manufacturing concern passes through three processes A, B and C. The output of process A and B is charged to the next process to give a profit of 25% on cost, while the output of process C is charged to Finished Stock Account which gives process C, a profit of 25% on cost.

From the following particulars prepare the Process Accounts and Finished Stock Accounts and calculate the amount of unrealized profit included in the closing stock and the amount of actual profit made by the concern. There was no opening stock. The closing stock in each process has been valued at prime cost.

	Processes		
	A	B	C
	Rs.	Rs.	Rs.
Materials used	14,000	21,000	7,000
Labour	21,000	14,000	28,000
Closing stock	7,000	14,000	21,000
Sales	1,26,000		

Closing stock of finished goods amounted to Rs. 14,000.

SECTION—C

5. Give managerial application of marginal costing. Support your answer with practical illustrations.
6. The net profits shown by financial accounts of a company amounted to Rs. 28,550 whilst the profits disclosed by company's cost accounts for that period were Rs. 38,660. On reconciliation the following differences were discovered :

The following items were not included in cost accounts :

Director's fees (Dr.) = Rs. 650

Bank interest (Cr.) = Rs. 30

Income tax (Dr.) = Rs. 8300

- (1) A provision for bad and doubtful debts made in financial books did not occur in cost accounts Rs. 570.
- (2) Overheads absorbed in cost accounts were Rs. 8,500 while the actuals as shown by financial accounts were Rs. 8,320.
- (3) The expenditure on work started during the year on a new factory was Rs. 16,000. Depreciation @ 5% was provided in financial books.

Prepare a statement reconciling the figures of profit as shown by the two set of books.

SECTION—D

7. What is budgetary control ? Explain different types of budgets.
8. Find out the following Material variances-Material Cost Variance :
 - (a) Material Price Variance
 - (b) Material Usage Variance
 - (c) Material Mix Variance
 - (d) Material Yield Variance

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