

CA/BC-304

2016

( 3rd Semester )

COMMERCE

Paper : BC-304

( **Cost Accounting** )

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 45 )

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

Answer **all** questions

1. (a) Explain the causes of development of Cost Accounting. 9

Or

- (b) From the following particulars, prepare a Cost Sheet for the period ending 31st March, 2014 : 9

Particulars	₹
Raw materials purchased	1,25,000
Stock of raw materials, 01.04.2013	30,000
Direct wages	90,000

L7/72a

( Turn Over )

<i>Particulars</i>	₹
Factory overheads	60,000
Carriage inwards	10,000
Selling and distribution overheads	75,000
Administrative overheads	25,000
Stock of raw materials, 31.03.2014	15,000
Sales during the year	6,10,000

2. (a) In stock valuation, which method you think most suitable and why? 9

*Or*

- (b) Prepare Stores Ledger under LIFO method from the following : 9

2015

January 1	Opening stock of materials— 1000 units ₹ 5 per unit
* 3	Issued—300 units
* 10	Purchased of materials— 1000 units ₹ 7 per unit
* 15	Issued—1200 units
* 20	Purchased materials—1500 units ₹ 10 per unit
* 25	Unit lost—150 units
* 30	Issued—1200 units
* 31	Return from factory—100 units

3. (a) What do you mean by absorption of overheads? Describe the various methods of absorption of factory overheads. 3+6=9

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( Continued )

Or

(b) The company is having three production departments—A, B and C and two service departments—boiler house and pump room. The boiler house has to depend upon the pump room for supply of water and pump room in its turn is dependent on the boiler house for the supply of steam power for driving the pump. The expenses incurred by the production departments are

A—₹ 4,00,000; B—₹ 3,50,000 and  
C—₹ 2,50,000

The expense for the boiler house is ₹ 1,17,000 and the pump room is ₹ 1,50,000

The expenses of the boiler house and pump room are apportioned to production departments on the following basis :

	A	B	C	Boiler house	Pump room
Expenses of boiler house	20%	40%	30%	—	10%
Expenses of pump room	40%	20%	20%	20%	—

Show clearly as to how the expenses of boiler house and pump room would be apportioned to A, B and C departments. 9

4. (a) What are the differences between job costing and batch costing?

9

Or

- (b) Dimapur Construction Company got a contract in January 2014 for construction of a bridge. The contract price was ₹ 5,00,000. The company incurred the following expenses up to 31.12.2014 :

	₹
Materials used	1,20,000
Wages	30,000
Direct expenses	25,000
Plant purchased on 01.04.2014	1,00,000
Materials at 31.12.2014	20,000
Materials sent to godown	5,000
Materials used from another contract to this contract	10,000
Cost of work uncertified	5,000
Depreciation to be charged 10% p.a.	

The amount certified by the engineer up to 31.12.2007 was ₹ 3,00,000, retention money being 20% of the certified value.

Prepare a Contract A/c showing therein the amount of profit or loss to be transferred to Profit & Loss A/c.

9

( 5 )

5. (a) What are the main features of process costing? What are the examples of industries where process costing is applied? 6+3=9

Or

- (b) An article passes through three processes of manufacture. From the following details, show the cost of each of the three processes and cost per article produced. Each article required 1 kg of material : 9

	Process—I	Process—II	Process—III
Raw materials (in kg)	10000	—	—
Rate per kg (in ₹)	10	—	—
Weight lost in input (in %)	5	3	2
Scrap (in %)	10	5	3
Values of scrap per kg (in ₹)	5	10	20
Labour (in ₹)	50,000	30,000	20,000
Direct expenses (in ₹)	30,000	25,000	20,000
Indirect expenses (in ₹)	15,000	10,000	5,000
Other expenses (in ₹)	5,000	3,000	2,000

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2016  
( 3rd Semester )

**COMMERCE**

Paper No. : BC-304

**( Cost Accounting )**

( PART : A—OBJECTIVE )

( Marks : 25 )

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

1. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

(a) Financial Accounts provide information for income determination.

( T / F )

(b) Purchase control is exercised by the storekeeper.

( T / F )

(c) Variable overhead cost is a period cost.

( T / F )

(d) Contract costing is a basic method of specific order costing.

( T / F )

(e) The cost of abnormal process loss is not included in the cost of the process.

( T / F )

2. Choose the correct answer and place its code in the box provided : 1×5=5

(a) Cost Accounting is a

- (i) positive science
- (ii) normative science
- (iii) positive as well as normative science
- (iv) None of the above

(b) Wages sheet is prepared by the

- (i) personal department
- (ii) payroll department
- (iii) cost accounting department
- (iv) All of the above



(c) Tools setup cost is treated as

- (i) direct cost
- (ii) indirect cost
- (iii) variable cost
- (iv) fixed cost

(d) Batch costing is a form of

- (i) process costing
- (ii) job costing
- (iii) operation costing
- (iv) specific order costing

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

- (i) Cement
- (ii) Oil refining
- (iii) Textile
- (iv) Chemical



( 4 )

3. Fill in the blanks : 1×5=5

(a) The purpose of costing is ascertainment of cost

of ..... OF .....

(b) Labour turnover is calculated by

.....

(c) Carriage outward cost is an item of

..... overhead.

(d) Painters use ..... costing.

(e) Average unit cost for each process is calculated by dividing the total process cost by

.....

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( 5 )

4. Write on the following in 4 or 5 sentences each :

2×5=10

(a) Costing and Cost Accounting

(b) Bin Card

20-21

for the year 1972

( 7 )

(c) Functional Classification of Overhead

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( 8 )

(d) Escalation Clause

( 9 )

(e) Abnormal Gain and Loss

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