

A-2

xi) What is a job card ?
xii) What is underabsorption of overhead ?

Group - B

3. Answer any *ten* of the following questions serially in not more than *thirty* (30) words each :

[2x10=20]

a) Write any *two* advantages of time wage system.
b) State the features of overhead.
c) What is secondary distribution of overhead ?
d) Define codification of overhead.
e) Explain the objectives of financial accounting.
f) What is cost sheet ?
g) What is purchase requisition ?
h) What is Bin card ?
i) What is Economic Order Quantity ?
j) Who are out workers ?
k) Write any two factors to be considered before introducing an incentive plan.
l) If time allowed is 10 hours, time taken is 8 hours and time rate is ₹ 10 per hour, find the total earnings under Rowan plan ?

m) Name two mechanical methods of time-keeping.
4. Answer any *four* of the following questions within 50 words each : [3x4=12]

a) State any two differences between Bin card and Stores ledger.
b) Explain stock turnover ratio.
c) Explain the nature of cost accounting.
d) Explain Halsey premium plan.
e) Write note on the step distribution method of reapportionment of overhead.
f) Explain the direct labour cost method of absorption of factory overhead.

Group - C

Answer any *three* of the following questions : [8x3=24]

5. Discuss the advantages and limitations of cost accounting.
6. What is weighted average method of material issue ? Discuss its advantages and disadvantages.
7. A manufacturer buys certain materials from a supplier @ ₹ 40 per unit. He needs 100 units per month. Annual return on investment is 10% Rent, taxes and insurance per unit per year is 2.5% of the cost per unit. Cost of placing an order is ₹ 180. Determine EOQ.

8. From the following information prepare a statement of cost and profit :

1.1.2018 31.12.2018

	₹	₹
Stock of Raw materials	30,000	35,000
Stock of Work-in-Progress	15,000	20,000
Stock of Finished goods	43,700	54,000

Transactions during the year :

	₹
Indirect wages	9,720
Sales	3,25,000
Factory Rent	7,830
Office Salaries	15,030
General Expenses	13,500
Office Rent	2,000
Rent of Showroom	1,200
Purchase of Raw materials	1,20,000
Productive wages	90,000
Plant Repairs	3,420
Depreciation of Plant	8,360
Salesman Salaries	7,650
Factory Lighting	7,380

9. Calculate machine-hour rate of machine A :

	₹
Consumable stores for machine A	600
Consumable stores for machine B	1,000
Repairs for machine A	800
Repairs for machine B	1,200
Heat and Light	360
Rent	1,200
Insurance of Building	4,800
Insurance of Machines	800
Depreciation of Machines	700
Room Service	60
General Charges	90

Additional Information :

Machine	Working Hours	Area (Sq.ft.)	Book value
A	10,000	100	12,000
B	25,000	500	20,000



2018 (A)

COST ACCOUNTING

Time : 3 hours

Full Marks : 100

Please strictly follow the instructions given in each Group.
The figures in the right hand margin indicate marks.

GROUP - A

1. From the alternatives given below in each bit, write serially the correct answer along with its serial number : [1x12 = 12]

(a) Cost Accounting is based on :
 (i) Estimated Figure (ii) Actual Figure
 (iii) Historical Figure (iv) Imaginary Figure

(b) Cost of production is equal to :
 (i) Prime cost plus works cost
 (ii) Works cost plus Administrative cost
 (iii) Prime cost plus Administrative Cost
 (iv) Total cost minus Prime cost

(c) Selling cost price is ₹800 and profit on sale is 20%, the profit shall be :
 (i) ₹100 (ii) ₹80
 (iii) ₹1000 (iv) ₹200

2. Choose the following which is not direct material :
 (a) Raw material
 (b) Direct packing material

(c) Consumable stores
 (d) Production components specifically

(e) The Purchase Requisition is generally prepared in :
 (i) Duplicate (ii) Triplicate
 (iii) Quadruplicate (iv) Five copies

3. While computing the effective working hours, the time to be deducted from gross hour is :
 (i) Maintenance time
 (ii) Normal loss of working hour
 (iii) Unproductive setting up time
 (iv) Productive setting up time

(g) Spoilage is :
 (i) Rectifiable (ii) Non-Rectifiable
 (iii) Measurable (iv) Im-measurable

(h) In Halsey Plan the portion of the wages of Time saved, paid as bonus is :
 (i) 1/4 (ii) 1/4 to 1/3
 (iii) 1/3 to 2/3 (iv) 1/2

(i) Stores Department is an example of :
 (i) Service Department
 (ii) Production Department
 (iii) Main Department
 (iv) Advertising Department

Canteen Expenses are apportioned on the basis of :
 (i) Direct wages
 (ii) Number of workers
 (iii) Area of Department
 (iv) Technical Estimate

Rents and Rates come under :
 (i) Fixed overhead
 (ii) Variable overhead
 (iii) Semi-variable overhead
 (iv) Semi-fixed overhead

(l) Ware housing cost belongs to :
 (i) Office overhead
 (ii) Distribution overhead
 (iii) Material cost
 (iv) Direct cost

2. Answer the following questions as per direction : [1x12]

(a) Fill up the blanks of the following :
 (i) _____ costing is suitable for readymade Garments.
 (ii) Supervisor's salary is _____ overhead.
 (iii) The fixed overheads rate _____.

(b) Correct the underlined portion of the following sentences.
 (iv) Process costing is applicable for mines.

(v) The level at which normal issues of the materials are stopped is known as minimum level.

(vi) Painting and stationery expenses are factory overhead.

(c) Answer the following questions within one word/term each :

(vii) Which costing is a variant of Job Costing?

(viii) What is the purpose of Clock Card method?

(ix) What type of overhead is Carriage-out ward?

(d) Express each of the following in one sentence each :

(x) What type of overhead is Discount?

(xi) What do you mean by Indirect Material?

(xii) Who is a casual worker?

GROUP - B

3. Answer any Ten of the following questions serially in not more than 30 sentences each : **[2x10]**

(a) What do you mean by Cost Driver?

(b) What is over absorption?

(c) Name the classification of cost according to time.

(d) Define Cost Accountancy

(e) What is Sunk Cost?

(f) What is Overtime?

(g) Define overhead apportionment.

(h) What is Labour turnover?

(i) What do you mean by Average Stock Level?

(j) What is V.E. D analysis?

(k) What is normal wastage?

(l) What do you mean by selling overhead?

(m) What is Premium Plan?

4. Answer any Four of the following questions within six sentences each : **[3x4]**

(a) State the advantages of Cost Accounting.

(b) What are the objectives of Material Control?

(c) What do you mean by Centralised Purchasing?

(d) Differentiate between Time keeping and Time Booking.

(e) What are the causes of over-absorption of overhead?

(f) State the characteristics of Direct Labour.

GROUP - C

Answer any THREE of the following questions:

8x3 = 24

5. Discuss the objectives of 'Cost Accounting'.

6. Analyse the principles of Purchasing.

7. The standard time allowed for a job is 200 hours. The hourly rate of wage is ₹10, plus a dearness allowance of ₹5 per hour worked. The actual time taken by a worker was 160 hours.

(a) Halsey Plan (b) Rowan Plan

8. From the following information, prepare cost and profit per unit for March, 2017:
 Raw material consumed ₹1,02,000
 Direct wages ₹29,000
 Factory overhead- 80% of direct wages
 Office overhead 10% of Works Cost
 Selling and Distribution :
 Overhead ₹2 per unit
 Unit sold/produced 10,000 units
 Profit 20% on cost of sales

9. Apportion the following expenditures/overheads of a factory among its three departments named as 'X', 'Y', 'Z'..

₹

Rent	66,000
Lighting	27,000
Supervision	22,500
Depreciation	45,000

Additional information:

Particulars	X	Y	Z
Area (sq. Meter)	1500	800	700
Number of Lights	50	40	60

2017 (A)

COST ACCOUNTING

Time : 3 hours

Full Marks : 100

*Carefully follow the instructions given in each Group.
The figures in the right hand margin indicate marks.*

GROUP - A

1. From the alternatives given below in each bit, write serially the correct answer along with its serial number : [1x15 = 15]

(a) Bin Card is maintained by :

- (i) Stores-keeping Department
- (ii) Production Department
- (iii) Purchase Department
- (iv) Personnel Department

(b) Depreciation of factory building is :

- (i) Office overhead
- (ii) Selling overhead
- (iii) Factory overhead
- (iv) Distribution overhead

(c) General Manager's salary is :

- (i) Factory overhead
- (ii) Administrative overhead
- (iii) Selling overhead
- (iv) Distribution overhead

(d) Bad Debt is :

- (i) Selling overhead
- (ii) Distribution overhead
- (iii) Administrative overhead
- (iv) Factory overhead

(e) Direct material cost is a :

- (i) Fixed cost
- (ii) Variable cost
- (iii) Semi-variable cost
- (iv) Semi-fixed cost

(f) ABC analysis is also called :

- (i) Always better comparison
- (ii) Always better cost
- (iii) Always better control
- (iv) Ask for better control

(g) FIFO method of pricing material issues suitable, when :

- (i) Price fluctuates
- (ii) Price remains fixed
- (iii) Price rises
- (iv) Price falls

(h) The number of copies, in which good received note is prepared, is :

- (i) 3
- (ii) 4
- (iii) 5
- (iv) 6

(i) Piece-rate system of wage payment is more suitable, where :

- The quality of production is more important than quantity
- The quantity of work done can be precisely measured
- Output of the worker is beyond his control
- It is difficult to measure the quantity of work done

(j) The material loss in the finished product stage is known as :

- Scrap
- Spoilage
- Defective
- Wastage

(k) The classification into indirect material, indirect labour and indirect expenses is the result of :

- Function-wise classification
- Industry-wise classification
- Behaviour-wise classification
- Element-wise classification

(l) Carriage inward is a part of :

- Prime cost
- Manufacturing on cost
- Office on cost
- Selling on cost

(m) Idle time is classified as :

- Direct and indirect
- Normal and abnormal
- Fixed and variable
- Controllable and uncontrollable

(n) Calculation of overheads as a percentage on direct labour is a method of :

- Absorption of overheads
- Apportionment of overheads
- Allocation of overheads
- Re-apportionment of overheads

(o) Wage analysis sheet is prepared by :

- Production Department
- Time keeping Department
- Pay-roll Department
- Cost Accounting Department

2. **Answer the following questions as per direction :**

(a) Express each of the following in one word [1x15]

- The type of overhead under which come Advertisement expenses.
- Name of the direct material for wooden furniture.
- The person maintains stores Ledger.
- The number of copies, the purchase requisition is usually prepared.

(b) *Answer the following questions within one sentence each :*

- What is the full form of EOQ ?
- What is prime Cost ?
- Under which market condition is LIFO method of pricing issue of materials preferred ?
- What is Manufacturing overhead ?

(c) *Correct the underlined portion of the following sentences.*

- Usually under-absorption of overheads increases the cost of the product.
- Depreciation of delivery van is office overhead.
- Prime cost plus 'factory overhead' is total cost.
- Sand paper used in making wooden furniture, is direct material.

(d) *Fill up the blanks of the following sentences.*

- Selling and distribution overheads added to cost of production is _____ cost.
- Salary to salesmen is _____ overhead.
- Power is a _____ cost.

GROUP - B

3. **Answer any eleven of the following questions serially in not more than three sentences each :** [2x11]

- What do you mean by 'Cost Centre' ?
- Name any two 'element wise' classification of cost.

(c) Define Cost Accounting.
 (d) What is meant by Bill of materials ?
 (e) Define overhead.
 (f) What is Centralised Purchasing ?
 (g) What is a Sub-store ?
 (h) What is meant by Over-absorption ?
 (i) Give any two examples of Semi-variable cost.
 (j) Write any two objectives of Cost Accounting.
 (k) What is the meaning of Cost Unit ?
 (l) What is a job Card ?
 (m) What is meant by 'Casual Worker' ?
 (n) State any two examples of function-wise classification of cost.

4. Answer any six of the following questions within six sentences each: [3x6]

(a) Write any three limitations of Cost Accounting.
 (b) What do you mean by Idle Time?
 (c) What is Direct Labour Hour Rate Method of absorption of overheads?
 (d) What is the importance of Minimum Stock Level?
 (e) Mention any three advantages of FIFO method of pricing issue of materials.
 (f) Write any six causes of Labour Turnover.
 (g) What are the special features of Halsey Premium Plan?
 (h) Distinguish between Allocation and Apportionment of overheads.

GROUP - C

Answer any FOUR of the following questions :

7.5x4 = 30

Distinguish between Cost Accounting and Financial Accounting.
 Make a comparison between Bin Car and Stores Ledger.
 Discuss the essential features of a good system of wage payment.

8. From the following particulars, prepare a cost sheet showing:

(i) The cost of materials consumed
 (ii) Prime cost
 (iii) Cost of production
 (iv) Total cost
 (v) Profit

Stock of raw material on 01.01.2015	61,700
Work-in-progress on 01.01.2015	1,21,700
Purchase of raw materials	2,86,500
Direct wages	3,57,000
Factory overhead	2,85,600
Administrative overhead	2,25,400
Stock of raw materials on 31.12.2015	75,400

Work-in-Progress on 31.12.2015	1,35,500
Sale during the year	17,21,250

9. Compute the Machine Hour Rate from the following data :

Cost of Machine	2,00,000
Installation charges	20,000
Estimated scrap value after the expiry of its life (15 years)	10,000
Rent and rates for the shop for the month	400
General lighting for the shop per month	600
Insurance premium for the machine per annum	1,920
Repairs and maintenance expenses per annum	2,000
Power consumption 10 units per hour	-----
Estimated working hours per annum (including setting up time of 200 hours)	2,200
Rate of power per 100 units	₹40
Shop supervisor's salary per month	₹1,200

The machine occupies 1/4th of the total area of the shop. The supervisor is expected to devote 1/5th of this time for supervising the machine.

10. The following information relate to the purchase and issue of materials for March, 2016. Prepare a Stores Ledger using FIFO

2016 (A)
SET - A
COMMERCE
COST ACCOUNTING

Time : 3 hours Full Marks : 100

Full Marks : 100

Carefully follow the instructions given in each Group.

The figures in the right hand margin indicate marks.

GROUP - A

1. From the alternatives given below in each bit, write serially the correct answer along with its serial number :

$$[1 \times 15 = 15]$$

(iii) Works overhead (iv) Distribution overhead

(g) Salaries of works manager is :

- Fixed cost
- Variable cost
- Semi-variable cost
- Sometimes fixed and sometimes variable cost

(h) Stores Ledger is maintained in :

- Accounts Department
- Stores Department
- Cost Accounting Department
- Personnel Department

(i) Two types of idle times are :

- Fixed and Variable
- Controllable and Uncontrollable
- Direct and Indirect
- Normal and Abnormal

(j) Special packing expenses come under:

- Works overhead
- Administrative overhead
- Selling overhead
- Distribution overhead

(k) The industry to which job costing is applicable is :

- Printing (ii) Cement
- Oil (iv) Construction

(l) Classification of costs into material, labour and expenses, is based on the classification, which is :

- Function-wise (ii) Behaviour-wise
- Industry-wise (iv) Element-wise

(m) The number of copies in which purchase requisition is prepared is:

- 2 (ii) 3
- 4 (iv) 5

(n) Cost of production is the total of :

- Direct material, Direct labour and Direct expenses
- Prime cost and Works oncost
- Direct material, Direct expenses and Works oncost
- Works cost and Administrative oncost

(o) If standard time for a job = 10 hours, Actual time taken = 8 hours, Wage rate = ₹50 per hour. The earning of a worker under Halsey Premium Plan (with 50% bonus) will be:
 (i) ₹500 (ii) ₹450
 (iii) ₹400 (iv) ₹550

2. Answer the following questions as per direction : [1x15]

(a) Answer the following questions within one word/term each :

(i) Name an industry to which job costing is applicable.
 (ii) Under which type of overhead comes 'distribution of free sample' ?
 (iii) What is the full form of 'FIFO' ?
 (iv) What will be the result when profit is deducted from sales ?

(b) Answer the following questions within one sentence each :

(v) What do you mean by Direct material ?
 (vi) What is a Cost Centre?
 (vii) What are the elements of Prime Cost ?
 (viii) Who are casual workers ?

(c) Correct the underlined portion of the following sentences.

(ix) Salary to driver of delivery van is selling overhead.

(x) Thread used in dress-marking is a direct material.

(xi) The most suitable method of costing applicable to oil mill is contract costing.

(xii) Factory overhead added to prime cost is Total cost.

(d) Fill up the blanks of the following sentences.

(xiii) An example of _____ cost is direct labour.

(xiv) Insurance of office building comes under _____ overhead.

(xv) Bin card is maintained in the _____ department.

3.

GROUP - B
 Answer any eleven of the following questions serially in not more than three sentences each: [2x11]

(a) Give any two examples of function-wise classification of cost.
 (b) Mention any two examples of semi-variable cost.
 (c) What do you understand by a 'Cost Unit'?
 (d) Define Costing.
 (e) Give any two examples of Distribution overheads.
 (f) What is Labour Turnover?
 (g) What factors should be considered for fixing minimum stock level?
 (h) What is a Job Card?
 (i) What do you mean by Overheads?
 (j) How is cost of production determined?
 (k) Name any two methods of Time Keeping.
 (l) What is ABC analysis of Material Control?
 (m) What is meant by 'apportionment' of overhead?
 (n) What do you mean by 'Overtime'?

4. Answer any six of the following questions within six sentences each: [3x6]

(a) Why should overtime not be encouraged (any three)?
 (b) State any three limitations of Cost Accounting.
 (c) Write the names of any three parties who enjoy advantages of Cost Accounting.
 (d) Mention any three advantages of centralised purchasing?
 (e) What are the main functions of Purchasing Department (any three).
 (f) Give any three justifications for the maintenance of Bin Cards.
 (g) State the special features of the direct labour hour rate method of absorption of overheads.
 (h) What do you mean by over-absorption and under-absorption of overheads?

GROUP - C**Answer any FOUR of the following questions :****7.5x4 = 30**

5. Discuss the functions of Cost Accounting.

6. Distinguish between Bin Card and Stores Ledger.

7. Prepare a Stores Ledger Account from the following information, using LIFO method.

January, 2016

Jan. 1 Received 5,000 units @ ₹30 per unit.

5. Received 3,000 units @ ₹33 per unit.

11 Issued 3,200 units

15 Issued 700 units

18 Received 3,000 units @ ₹35 per unit

22 Issued 2,500 units.

25 Received 2,700 units @ ₹36 per unit.

28 Issued 1,200 units.

30 Received 2,500 units @ ₹37 per unit.

31 Issued 2,700

8. The following costing information relating to product 'P' is extracted for year ended 31st December, 2014.

Purchase of Raw Materials	₹3,00,000
Works Overheads	₹1,20,000
Direct Wages	₹2,50,000
Carriage on purchases	₹3,600

Stock (1st January, 2014)

Raw Materials	₹50,000
Finished products (1,000 ton)	₹40,000

Stock (31st December, 2014)

Raw materials	₹55,600
Finished products (2,000 tons)	₹80,000

Work-in-progress

(1st Jan. 2014)	₹12,000
Work-in-progress (31st Dec. 2014)	₹40,000

Sale-Finished products	₹7,50,000
------------------------	-----------

Selling and Distribution overheads are ₹2 per ton sold. 16,000 tons of commodity were produced during the year.

You are required to ascertain (i) Value of raw materials consumed, (ii) Cost of output for the period, (iii) Cost of sales and (iv) Net profit for the year.

9. From the data given below, calculate the Machine Hour Rate

	Per Annum (₹)
Rent of the department (Space occupied by the machine 1/5th of the total)	3,900
Lighting (number of men in the department: 12, two men engaged on this, machine)	1,440
Insurance, etc.	180
Cotton waste, oil etc.	300
Salary of foremen (one-fourth of the foremen's time is occupied by this machine and the remainder equally by the other two machines)	30,000

(i) The machine will work for 1,800 hours per annum.

(ii) It will incur expenditure of ₹5,625 in respect of repairs and maintenance.

(iii) It will consume 5 units of power per hour at the cost of ₹1 per unit.

(iv) The working life of the machine will be 18,000 hours.

10. Discuss the characteristics of an ideal system of wage payment.

2015 (A)
COST ACCOUNTING

Time : 3 hours

Full Marks : 100

(g)

Carefully follow the instructions given in each Group.

The figures in the right hand margin indicate marks.

GROUP - A

1. **From the alternatives given below in each bit, write serially the correct answer along with its serial number : [1x15 = 15]**

(a) Costs which are identified with the product, are called :
 (i) Sunk cost (ii) Period cost
 (iii) Direct cost (iv) Fixed cost

(b) Primary packing expenses form part of :
 (i) Distribution overheads
 (ii) Prime cost
 (iii) Selling overheads
 (iv) Factory overheads

(c) When Material cost is Rs. 25,000, Labour cost is Rs. 15,000; Administrative expenses are Rs. 5,000 and Factory expenses are Rs. 8,000; the works cost shall be:

(i) Rs. 28,000 (ii) Rs. 45,000
 (iii) Rs. 40,000 (iv) Rs. 48,000

(d) Classification of overheads into administrative, production, selling and distribution, based on the classification, which is :

(i) Industry-wise (ii) Behaviour-wise
 (iii) Function-wise (iv) Element-wise

(e) Goods Received Note is prepared in :

(i) 3 copies (ii) 4 copies
 (iii) 5 copies (iv) 6 copies

(f) Bin Card is maintained by :

(i) Cost Accounting department
 (ii) Store-keeping department

(iii) Production department

(iv) Purchase department

F.I.F.O. method of pricing material issue suitable in times of :

(i) Fluctuating prices
 (ii) Fixed prices
 (iii) Falling prices
 (iv) Rising prices

(h) ABC analysis stands for :

(i) Always better comparison
 (ii) Always better control
 (iii) Always better cost
 (iv) Ask for better control

(i) Piece rate system of wage payment is most suitable where :

(i) The quality of production is more important than quantity
 (ii) The quantity of work done can be precisely measured
 (iii) Output of the worker is beyond his control
 (iv) It is difficult to measure the quantity of work done

(j) When time saved is less than 50% of standard time, earnings per hour is higher under:

(i) Taylor's differential piece rate system
 (ii) Rowan plan
 (iii) Halsey-Weir plan
 (iv) Halsey plan

(k) If overtime is allowed due to seasonal rush in the factory, the overtime premium is charged to :

(i) Profit and loss account
 (ii) Costing profit and loss account
 (iii) Overheads
 (iv) Prime cost

(l) During a period, 40 workers were discharged by a company and 10 workers resigned

During the same period if 25 workers were

recruited in the vacancies and the average number of workers for the period was 1,000, the labour turn over rate by separation method is :

- (i) 2.5% (ii) 5%
- (iii) 1% (iv) 4%

(m) Allotment of whole item of cost to a cost centre is known as :

- (i) Re-apportionment of overheads
- (ii) Absorption of overheads
- (iii) Allocation overheads
- (iv) Apportionment of overheads

(n) While computing the effective working hours, the time to be deducted from the gross working hours is :

- (i) Maintenance time
- (ii) Normal loss of working hours
- (iii) Unproductive setting up time
- (iv) None of the above

(o) The material loss in the finished product stage is known as :

- (i) Scrap (ii) Defective
- (iii) Wastage (iv) Spoilage

2. **Answer the following questions as per direction :** [1x15]

(a) *Answer the following questions within one word/term each :*

- (i) Which method of costing is used by transport industry ?
- (ii) What is the other name of cost of production ?
- (iii) In how many copies is usually a purchase requisition prepared ?
- (iv) Name one industry to which process costing is applicable.

(b) *Answer the following questions within one sentence each :*

- (v) What is meant by prime cost ?
- (vi) Name the broad types of costing.
- (vii) What is a cost unit ?
- (viii) What is the full-form of E.O.Q. ?

(c) **Fill in the blanks :**

(ix) When similar expenses are arranged in different groups, it is known as _____.

(x) Rent is apportioned on the basis of _____.

(xi) Maximum stock level + $\frac{1}{2}$ of Re-order quantity is equal to _____ level.

(xii) Indirect costs are also known as _____.

(d) *Correct the underlined portion of the following sentences.*

(xiii) Contract costing is most suitable to flour mill.

(xiv) Supervision charges are fixed costs.

(xv) Works cost + factory overheads = cost of production.

GROUP - B

3. **Answer any eleven of the following questions serially is not more than three sentences each :** [2x11]

- (a) Give any two examples of selling overheads.
- (b) State any two purposes of a cost sheet.
- (c) What are 6 R's purchasing principles?
- (d) What is Base stock Method of Pricing?
- (e) Name any four fringe benefits provided to workers.
- (f) Give any two examples of composite cost merits.
- (g) State any two merits of decentralised purchasing.
- (h) What is meant by Bill of Materials ?
- (i) State any four unavoidable causes of labour turn over.
- (j) What are the general principles for identifying an element of cost as overheads?
- (k) What are the demerits of Time Rate Wage System Rate ?
- (l) How do you classify material losses ?
- (m) What is meant by labour turnover ?
- (n) What is meant by job costing ?

Answer any six of the following questions in not more than six sentences each :

- (a) Classify overheads on the basis of functions.
- (b) Distinguish between over-absorption and under-absorption.
- (c) How is overtime controlled ?
- (d) What are the different techniques of material control ?
- (e) Distinguish between scrap and spoilage.
- (f) Distinguish between direct labour and indirect labour.
- (g) Name any six methods of costing.
- (h) What are the features of Cost Accounting ?

GROUP - C

Answer any FOUR of the following questions :

$$7.5 \times 4 = 30$$

Discuss the scope and limitations of Cost Accounting.

Explain any three records used in storing materials.

Discuss the characteristics of an ideal system of wage payment.

Prepare a cost sheet of machine and calculate the price at which the company should quote for the manufacture of a machine requiring materials Rs. 1,25,000; productive wages Rs. 75,000 and factory overheads Rs. 15,000 so that the price may yield a profit of 20% on selling price.

The following information have been extracted from the accounts of the company for the six months ending 30th June 2012

Materials used :	Rs. 1,50,000
Productive wages:	Rs. 2,40,000
Factory overhead:	Rs. 24,000
Office Other expenses:	Rs. 20,700

9. Prepare a Store Ledger Account from the following information by using appropriate method of the pricing issue:

<u>January</u>	<u>Units</u>	<u>Value in Rs.</u>
1 Balance B/F	1000	2,000
2 Purchased	600	1,320
7 Issued	600	
10 Purchased	600	1,440
18 Issued	600	
20 Purchased	600	1,500
25 Issued	1,200	

10. Calculate the Machine Hour Rate from the following details :

Cost of Machinery	Rs. 9,00,000
Rent and Rates	Per annum 20,000
Lighting	Per annum 10,000
Supervision	Per annum 15,000
Insurance charges	Per annum 12,000
Scarp value after the useful life of machine (10 years)	20,000
Repairs and maintenance	5,000
Power consumption	5 units per hour Rs. 0.00 per unit.
Effective working hours per annum	2,000 hours.

2014 (A)
COST ACCOUNTING

Time : 3 hours
 100

Full Marks :

Carefully follow the instructions given in each Group.

The figures in the right hand margin indicate marks.

GROUP - A

1. From the alternatives given below in each bit, write serially the correct answer along with its serial number : [1x15 = 15]

(a) Cost Accounting is based on :

- (i) Estimated Figure
- (ii) Actual Figure
- (iii) Historical Figures
- (iv) Imaginary Figures

(b) Cost of production is equal to :

- (i) Prime Cost plus Works Cost
- (ii) Works Cost plus Administrative Cost
- (iii) Prime Cost plus Administrative Cost
- (iv) Total Cost minus Prime Cost

(c) When cost price is Rs. 9,900 and profit on sale is 10%, the profit shall be :

- (i) Rs. 990
- (ii) Rs. 1,100
- (iii) Rs. 1,090
- (iv) Rs. 900

(d) The method of costing which is concerned with a work order, is called :

- (i) Batch Costing
- (ii) Process Costing
- (iii) Unit Costing
- (iv) Job Costing

(e) Bad debt is :

- (i) Selling Cost
- (ii) Administrative Cost

(iii) Distribution Cost
 (iv) Factory Cost

(f) Depreciation on machinery is a :
 (i) Fixed Cost
 (ii) Variable Cost
 (iii) Semi-variable cost
 (iv) Marginal Cost

(g) Direct Material Cost is a :
 (i) Fixed Cost
 (ii) Variable Cost
 (iii) Semi-variable cost
 (iv) Office Cost

(h) Stores Ledger is maintained by :
 (i) Cost Accounting Department
 (ii) Stores Department
 (iii) Production Department
 (iv) Personnel Department

(i) When material prices fluctuate widely, the method of pricing of issue of material that gives better result is :
 (i) Simple Average (ii) Base Stock
 (iii) FIFO (iv) LIFO

(j) Spoilage is :
 (i) Rectifiable (ii) Not-rectifiable
 (iii) Measurable (iv) Immeasurable

(k) If the standard time to produce one unit of a product is 15 minutes and wage rate is Rs. 12 per hour, the wage under piece rate system for a worker who produces 35 units in a day of 8 hours, is :
 (i) Rs. 96 (ii) Rs. 105
 (iii) Rs. 120 (iv) Rs. 180

(l) When time saved is more than 50% of standard time, earning per hour is high under :
 (i) Halsey Plan
 (ii) Halsey-Weir Plan
 (iii) Rowan Plan
 (iv) Taylor's differential piece rate system

(m) Telephone expenses can be an example of
 (i) Variable Overhead
 (ii) Fixed Overhead
 (iii) Semi-variable overhead
 (iv) None of these

(n) Calculation of percentage of overheads on direct material cost is a method of :
 (i) Allocation of Overheads
 (ii) Apportionment of Overheads
 (iii) Absorption of Overheads
 (iv) Reapportionment of Overheads

(o) Abnormal idle time cost is :
 (i) Charged to works overhead
 (ii) Charged to office & administrative overhead
 (iii) Transferred to costing profit & loss account
 (iv) Treated as direct expense

2. **(a) Answer the following questions with one word/term each :**

(i) Primary packing expenses form part of which cost ?
 (ii) Name one industry to which process costing is applicable.
 (iii) Name the method of costing suitable for construction industry.

(iv) In how many copies is goods received note prepared ?

(b) **Answer the following questions within one sentence each :**

- (i) Give an example of indirect material.
- (ii) What type of overhead is discount ?
- (iii) Who maintains Bin Card ?
- (iv) Which method of pricing material issue is suitable in times of rising prices ?

(c) **Fill in the blanks :**

- (i) Material control is a control exercised over the purchasing, storing and _____ of materials.
- (ii) Indirect labour is that labour which cannot be easily and conveniently _____ to the job, process or production unit.
- (iii) Normal idle time arises due to _____ factors in the factory.
- (iv) Fixed overheads are also known as _____ cost.

(d) **Correct the underlined portion of the following sentences:** [1x3]

- (i) Factory overheads, Administrative overheads, Selling overheads and Distribution overheads are the classification of overheads based on elements.
- (ii) Usually over-absorption decreases the cost.
- (iii) Time rate system of wage payment is most suitable where the work is of casual nature.

GROUP - B

3. **Answer any Eleven of the following questions within three sentences each :**

$$2 \times 11 = 22$$

- (a) Define Cost Accountancy.
- (b) Explain Cost Unit.
- (c) What is meant by Carrying Cost ?
- (d) What is meant by Tender ?
- (e) What are the two broad groups of methods of costing?
- (f) Give any four examples of operating costing.
- (g) State any two merits of centralized purchasing.
- (h) State any two basic needs for storing materials.
- (i) Name the different techniques of material control.
- (j) State the factors to be considered for fixing the re-order level.
- (k) What are the different types of scrap ?
- (l) State any two disadvantages of piece rate system.
- (m) What are the different methods of Time Keeping ?
- (n) Who is a Casual Worker ?

4. **Answer any six of the following questions in not more than six sentences each :**

- (a) Give the specimen of a Purchase Requisition.
- (b) What are the six R's of scientific purchasing.
- (c) Explain the need for material control.
- (d) Distinguish between Time Keeping and Time Booking

- (e) Distinguish between Bin Card & stores Ledger (any three)
- (f) What are the different types of cost centre?
- (g) Classify cost on the basis of functions.
- (h) Distinguish between Allocation and Apportionment.

GROUP - C

Answer any FOUR of the following questions :

$$7.5 \times 4 = 30$$

5. Distinguish between Cost Accounting and Financial Accounting.
6. What is meant by labour turnover? What are its causes?
7. Discuss perpetual inventory system as a technique of material control.
8. (a) Factory Cost = Rs. 550, Factory Overheads = Rs. 125. Calculate Prime Cost.
 (b) The following information for the year 2012 is given:

Materials	Rs. 2,00,000/-
Direct Labour	Rs. 1,60,000/-
Factory Expenses	Rs. 2,40,000/-
Office and Administrative	Rs. 1,20,000/-

9. Ascertain the cost of a job which is likely to require material of the value of Rs. 10,000 and wages to the extent of Rs. 6,000/- Prepare a Stores Ledger Account from the following, using FIFO method

March, 03 Received Rs. 1,000 units @ Rs. 2 per unit.

March, 10 Received 1,000/- units @ 24 p. unit.

March 18 Issued Rs. 1000 units

March, 20 Received Rs. 1000 units @Rs. 2 per unit.

March, 25 Issued Rs. 1000 units.

10. Calculate the Machine Hour Rate from following information:

Cost of Machine	Rs. 4,50,000
Installation Charges	Rs. 50,000
Life of Machine	5 years
Working hours per year	2,500
Repair charges 75% of depreciation	
Electrical power consumed:	
10 units per hour @ Rs. 1.50 per unit	
Lubricant oil Rs. 40 per day of 8 hours	
Consumable stores @ Rs. 100 per day for 8 hours	
Wages of machine operator @ Rs. 80 per day for 8 hours.	

2013(A)

Carefully follow the instructions given in each Group.

The figures in the right hand margin indicate marks.

GROUP - A

From the alternatives given under each bit, choose and write serially the correct answer along with its serial number against each bit : [1x15 = 15]

Contract costing is a variant of :

- (i) Process Costing (ii) Multiple Costing
- (iii) Unit Costing (iv) Job Costing

Telephone expenses is an example of :

- (i) Variable Cost
- (ii) Period Cost
- (iii) Fixed Cost
- (iv) Semi-variable Cost.

Stores Ledger is maintained in :

- (i) Stores Department
- (ii) Accounts Department
- (iii) Cost Accounting Department
- (iv) Personnel Department

The methods of pricing the material issue showing low profit in times of rising prices, is :

- (i) FIFO (ii) LIFO
- (iii) HIFO (iv) Standard Price

The time for which wages are paid but no production is obtained, is known as :

- (i) Over Time (ii) Abnormal Idle Time
- (iii) Normal Idle Time (iv) Idle Time

The material loss in the finished product stage is known as :

- (i) Spoilage (ii) Wastage
- (iii) Defective (iv) Scrap

- (g) The incentive plan in which bonus is calculated as proportion of time wages, is :
 - (i) Rowan Plan (ii) Halsey Plan
 - (iii) Halsey-Weir Plan
 - (iv) Profit Sharing Scheme
- (h) Depreciation on office equipment is an example of :
 - (i) Factory Overhead
 - (ii) Selling Overhead
 - (iii) Manufacturing Overhead
 - (iv) Administrative Overhead
- (i) Wage Abstract is prepared by :
 - (i) Pay-roll department
 - (ii) Cost Accounting Department
 - (iii) Time Keeping Department
 - (iv) Production Department
- (j) When research work does not yield any result its cost is treated as :
 - (i) A direct charge to a job
 - (ii) An item of general overhead
 - (iii) A deferred revenue expenditure
 - (iv) Written off to costing Profit and Loss Account
- (k) Indirect material, indirect labour and indirect expenses are the result of :
 - (i) Function-wise classification
 - (ii) Element-wise classification
 - (iii) Behaviour-wise classification
 - (iv) Industry-wise classification
- (l) Advertising is a :
 - (i) Manufacturing Cost
 - (ii) Administration Cost
 - (iii) Selling Cost
 - (iv) Distribution Cost
- (m) Two types of idle times are :
 - (i) Direct and Indirect
 - (ii) Fixed and Variable

- (iii) Normal and Abnormal
- (iv) Controllable and Uncontrollable
- (n) The other name of marginal cost :
 - (i) Fixed Cost
 - (ii) Variable Cost
 - (iii) Replacement Cost
 - (iv) Standard Cost
- (o) Time rate in wage payment is suitable where :
 - (i) Production is standardised and repetitive
 - (ii) Output of the worker can be measured
 - (iii) Aim is to maximise production
 - (iv) Quality of goods produced is extremely important

Q.2.(a) Answer the following questions within one word /term : [1x4]

- (i) Give an example of the industry to which contract costing is applicable.
- (ii) What do direct material, direct labour and direct expense constitute ?
- (iii) Name the method of costing which is most appropriate for Printing Press.
- (iv) Where is bin card maintained ?

(b) Answer the following questions within one sentences each : [1x4=4]

- (i) Give an example of selling overhead,
- (ii) Who is a casual worker ?
- (ii) What is the full form of E.O.Q. ?
- (v) When is LIFO method of pricing of issue of material most suitable.

Fill in the Blanks : [1x3]

Costing is a technique of _____ and control of cost.

Indirect costs are also known as _____
Works overhead added to prime cost makes.

(d) Correct the underlined portion of the following sentences: [1x4=4]

- (i) Contract costing is most suitable to flour mill.
- (ii) Bin Card is used to control labour cost.
- (iii) Motion study is made to fix standard time.
- (iv) Material Cost is a fixed cost.

GROUP - B

Q.3. Answer any eleven of the following questions serially in not more than three sentences each : [2x11=22]

- (a) What is minimum stock level ?
- (b) How do you classify material losses ?
- (c) Define Opportunity Cost.
- (d) What is meant by Labour Turn Over ?
- (e) Define Over-absorption.
- (f) Where is Machine Hour Rate more suitable ?
- (g) What are the two basic methods of costing ?
- (h) What purposes are served by Job Card ?
- (i) What is Double Bin System ?
- (j) What is meant by Bill of Materials ?
- (k) Give two examples of office overhead
- (l) Define Differential Piece Rate System
- (m) What are the objects of time study ?
- (n) How do you identify direct material cost ?

Q.4. Answer any six of the following questions in not more than six sentences each : [3x6=18]

- (a) What are the advantages of centralised purchasing of materials ?
- (b) State the features of process costing.

- (c) Write any three importance of Cost Accounting.
- (d) Explain the meaning of carrying cost with example.
- (e) What is re-ordering quantity ?
- (f) Why are incentives given to workers ?
- (g) Mention any three needs for material control.
- (h) What do you mean by allocation of overhead ?

GROUP - C

Answer any four of the following questions :

$[7\frac{1}{2} \times 4 = 30]$

- Q.5. Explain the nature and objectives of Cost Accounting.
- Q.6. What do you mean by over-absorption and under-absorption of overheads? Explain there causes.
- Q.7. Discuss the characteristics of an ideal system of wage payment.
- Q.8. A worker produced 200 units in a week time. The guaranteed weekly wage
- payment for 45 hours in ₹ 81. The expected time to produce one unit is 15 minutes which is raised further by 20% under the incentive scheme. What will be the earnings per hour of that worker under Halsey (50% sharing) and Rowan bonus schemes?
- Q.9. The annual demand for a product is 6400 units. The unit cost is ₹ 6 and inventory carrying cost per unit per annum is 25% of the average inventory cost. If the cost of procurement is ₹ 75, determine: (a) Economic Order Quantity (EOQ) (b) Number of order per annum and (c) Time between two consecutive order.
- Q.10. After inviting tenders, two quotations are received as under :
 - Supplier A = ₹ 2.20 per unit
 - Supplier B = ₹ 2.10 per unit + ₹ 2,000 fixed charge irrespective of units ordered,
 (i) Calculate the order quantity for which the purchase price per unit will be the same,

 (ii) Select the supplier if the purchase officer wants to place an order for 1,500 units.

2012 (A)

GROUP - A

(As per 2014 Syllabus)

1. From the alternatives given under each bit, choose and write serially the correct answer along with its serial number against each bit : **[1x10 = 10]**

(a) Bin Card is maintained by :

- (i) Accounts Department
- (ii) Stores Department
- (iii) Cost Accounting Department
- (iv) Personnel Department

(b) The method of costing most suitable for medicine manufacturing industry is:

- (i) Unit Costing
- (ii) Process Costing
- (iii) Batch Costing
- (iv) Contract Costing

(c) During the period of falling prices, the most suitable method of pricing of issue of materials is :

- (i) Base Stock
- (ii) F.I.F.O.
- (iii) LIFO
- (iv) Standard Price

(d) Loss arising out of rejected semifinished goods is called :

- (i) Scrap
- (ii) Shrinkage
- (iii) Wastage
- (iv) Spoilage

(e) A worker gets bonus of 1/3rd of the time saved in :

- (i) Halsey Premium Plan
- (ii) Halsey-Weir Plan
- (iii) Rowan Plan
- (iv) Profit-sharing Scheme

(f) The purchase requisition is generally prepared in :

- (i) Duplicate
- (ii) Triplicate
- (iii) Quadruplicate
- (iv) Five Copies

(g) Rent and rates come under :

- (i) Fixed Overheads
- (ii) Variable Overheads
- (iii) Semi-variable Overheads
- (iv) Semi-fixed Overheads

(h) Production Manager's salary is :

- (i) Factory Overhead

- (ii) Office Overhead

- (iii) Selling and Distribution Overheads

- (iv) Administrative Overhead

(i) Closure in seasonal industries, as a cause of idle time, comes under :

- (i) Productive Cause

- (ii) Administrative Cause

- (iii) Economic Cause

- (iv) Productive and Administrative Cause

(j) Recreational facilities come under:

- (i) Pecuniary Benefits

- (ii) Fringe Benefits

- (iii) Deferred Monetary Benefits

- (iv) All the above Benefits

Q.2. Explain any five of the following terms serially in not more than three sentences each : **[2x5]**

(a) Cost Centre	(b) Works Cost
(c) Process Costing	(d) Labour Turnover
(e) Overhead	(f) Piece Wage
(g) Overtime Wage	(h) Carrying Cost

Q.3. Answer any five of the following questions serially in not more than three sentences each : **[2x5]**

- (i) What is meant by E.O.Q ?
- (ii) What is Machine Hour Rate ?
- (iii) How is Prime Cost determined ?
- (iv) How do you identify direct material cost ?
- (v) What is meant by Multiple Costing ?
- (vi) If cost is Rs. 90,000 and profit is 10% of sales, what is the selling price ?
- (vii) What are the purposes of Time Booking ?
- (viii) What is meant by redistribution of overhead ?

GROUP - B

Q.4. Answer any five of the following questions in not more than five sentences each : [3x5]

- (a) Give any six examples of Office and Administrative Overheads.
- (b) State any three differences between Cost Accounting and Financial Accounting.
- (c) State any three disadvantages of Time Rate Method of wage payment.
- (d) Mention any three advantages of Piece Rate Method of remuneration.
- (e) Explain Perpetual Inventory Control.
- (f) State any three causes of Labour Turnover.
- (g) What are the six 'R's in scientific purchasing ?
- (h) Explain works overheads with examples.

Q.5. Answer any five of the following questions limiting each short note to five sentences and each distinction to three differences : [3x5]

- (a) Write short notes on the following
 - (i) Bin Card
 - (ii) Marginal Costing
 - (iii) ABC Analysis
 - (iv) Standard Time
- (b) Distinguish between the following :
 - (i) Controllable Cost and Uncontrollable Cost
 - (ii) Direct Labour and Indirect Labour
 - (iii) Time Keeping and Time Booking
 - (iv) Allocation and Apportionment of Overheads

GROUP - C

Answer any four Questions :

Q.6. Define 'Cost Accounting'. Explain its functions. [10x4=40]

Q.7. Explain any four techniques of material control.

Q.8. Give the specimen of the following:

- (i) Purchase Requisition
- (ii) Material Transfer Note

Q.9. Enter the following transactions in the Stores Ledger under LIFO method of pricing and find out the value of stock at the end of the period :

Purchases	Unit	Per Unit
3.1.2011	3,000	14.00
18.1.2011	400	15.00
11.2.2011	5,000	16.00
13.2.2011	1,000	15.50
10.3.2011	4,000	15.60
Issue	Units	
	2,2.2011	2,000
	14.2.2011	3,000
	3.3.2011	1,000
	11.3.2011	2,000
	15.3.2011	3,000

Q.10. A factory produces a standard product 'P' from the following information you are required to prepare a Cost Sheet for March 2011:

Raw-materials Consumed ₹ 2,90,000
 Direct Wages ₹ 1,30,000
 Other Direct Expenses ₹ 80,000

Factory Overheads are 80% of Direct Wages
 Office Overheads are 10% of Works Cost.
 Selling and Distribution Expenses are 7.20 per unit sold.

Units produced and sold during the month 10,000
 Find out the selling price per unit keeping a profit of 20% of the selling price.

There was no stock of goods or work-in-progress either at the beginning or at the end of the period.

11. Calculate the Machine Hour Rate from the given particulars :

	Per-Annum ₹
Cost of the Department (space occupied by the machine V,th)	23,400
Working (number of men in the department is 12 and 2 work on machine)	8,640
Overhead	1,080
Power	1,800
Wages of Foreman (1/4th of his time devoted to this machine)	1,80,000

The cost of the machine is ₹ 2,76,000 and it has an estimated scrap value of ₹ 6,000. Its working life is estimated to be 10 years and it will run 1,800 hours per annum. The repair and maintenance expenditure on the machine per annum is estimated at ₹ 33,750. It will consume 5 units of power per hour at a cost of ₹ 2.40 per unit.

Q.12. Make a comparative study of Halsey Premium and Rowan Plan with a suitable example