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T.Y.B.Com. Courses (CBCS) Ordinance (Semester-V)
EXAMINATION OCTOBER 2019
Cost Accounting Major I - Cost Accounting I

[Duration : Two Hours] **[Max. Marks: 80]**

Instructions:

1) Question number **One** is compulsory.
2) All questions carry equal marks and figures to the right indicate maximum marks allotted to Questions/sub questions.
3) Answer any Three Questions from Questions No.2 to Question No.6

Q.1 United Motors Limited from Verna Industrial Estate Manufactures table fans as one of its products. They use two types of materials namely, Super and Deluxe for this product. The monthly data with regards to the stock is made available to you as under. **(20 marks)**

Particulars	Super	Deluxe
Normal usage (in units)	200	150
Minimum usage (in units)	100	100
Maximum usage (in units)	300	250
Reorder quantity (in units)	750	900
Reorder period (in months)	2 to 3	3 to 4

Calculate for Super and Deluxe Material used above, the following stock levels.

1. Reorder stock level
2. Minimum stock level
3. Maximum stock level
4. Average stock level

Q.2 a) A quotation is received from a supplier for the supply of new packing material used by a mobile manufacturing company. Following are the details given in the quotation.

The Lot Price for 1000 units is Rs.5/- Per Unit.

The Lot Price for 6000 units is Rs.4.50/- Per Unit.

The Lot Price for 10000 units is Rs.4/- Per Unit.

Transportation charges per order are Rs.1340/- and Stores charges are Rs.400 per order.

Trade Discount is 20%. Cash Discount is 5% if payment is made within 15 days of the purchase.

A single container is required for every 1000 units of the material. Containers are charged at Rs.100/- each. If the containers are returned within three months of purchases, a refund of Rs.90/- is given to the client.

Calculate the material cost for 6000/- units of material ordered by the mobile manufacturing company. Assume that the containers are returned after a week from the date of purchase of this material however the payments are settled after three months. **(10 marks)**

b) Elaborate the material purchase procedure in detail. **(10 marks)**

Q.3 Following are the receipts and issues of teak wood in a furniture manufacturing company during the half-month of October, 2019. You are required to prepare stores ledger using LIFO and FIFO method. **(20 marks)**

October 1st Opening balance of stock, 200 tons @ Rs.460/- per ton.
October 4th Issued stock, 140 tons.
October 6th Purchased stock, 350 tons @ Rs.480/- per ton.
October 9th Issued stock, 120 tons.
October 11th Purchased stock, 250 tons @ Rs.470/- per ton.
October 12th Issued stock, 120 tons.
October 13th Issued stock, 100 tons.
October 14th Purchased stock, 180 tons @ Rs.450/- per ton.
October 15th Issued stock, 100 tons

Q.4 (A) Explain the various cost classifications in detail. **(10 marks)**

(B) What are the advantages and limitations of cost accounting? **(10 marks)**

Q.5 (A) The following transactions took place in regards to the material used to manufacture car wheels during the month of September, 2019. Using the Standard price method, prepare the stock register for this material. **(10 marks)**

September 1, 2019 – opening balance, 500 tons @ 80/- per ton.
September 4, 2019 – purchased 400 tons @ 82/ per ton.
September 5, 2019 – issued 550 tons.
September 10, 2019 – purchased 600 tons @ 85/ per ton.
September 15, 2019 – issued 650 tons.
September 20, 2019 – purchased 350 tons @ 90/ per ton.
September 25, 2019 – purchased 400 tons @ 92/ per ton.
September 30, 2019 – issued 650 tons.

The standard price to be considered is Rs.100/- per ton.

(B) What is EOQ? How EOQ is calculated and what is the significance of EOQ? **(10 marks)**

Q.6 Write short notes on **Any Four** from the below given. **(4*5=20marks)**

1) Objectives of cost accounting
2) Accounting procedure for defectives
3) Functions of storekeeper
4) Bin card
5) Advantages of FIFO method of pricing
6) Advantages of material control

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T.Y.B.Com Courses (CBCS) Ordinance Semester V
EXAMINATION OCTOBER 2019
Cost Accounting Major II - Cost Accounting II

[Duration : Two Hours] **[Max. Marks :80]**

Instructions :

1. Question No. **1** is **compulsory**.
2. Answer **any 3** questions from Q. No. **2** to Q. No. **6**.
3. Give working notes **wherever** necessary.
4. **All** questions carry **equal** marks.

Q.1 The following data was obtained from the books of M&M company which has three production departments 'A', 'B' and 'C' and two service departments 'X' and 'Y' for half year ended 30th September, 2018. **20**

	Production Departments			Service Departments	
	'A'	'B'	'C'	'X'	'Y'
Direct Wages (Rs.)	7,000	6,000	5,000	1,000	1,000
Direct Materials (Rs.)	3,000	2,500	2,000	1,500	1,000
Employees (numbers)	400	300	300	100	100
Asset Value (Rs.)	50,000	30,000	20,000	10,000	10,000
Electricity (kwh.)	8,000	6,000	6,000	2,000	3,000
Light Points (numbers)	10	15	15	5	5
Area occupied (sq.ft.)	800	600	600	200	200

The expenses for six months were as under:

	Rs.
Stores overhead	400
Motive Power	1,500
Electric Lighting	200
Labour Welfare	3,000
Depreciation	6,000
Sundries	19,390
Repairs and Maintenance	1,200
General Overheads	10,000
Rent and Taxes	600

You are required to prepare:

(i) A primary distribution summary showing the distribution of overheads to various departments.

(ii) A showing re-apportionment of service departments' expenses to production departments. Apportion the expenses of service department 'X' in the ratio of 2:3:5

and that of service department 'Y' in the ratio of 5:3:2 to production departments 'A', 'B' and 'C' respectively.

Q.2 From the following particulars you are required to calculate the earnings of a worker for a week under **20**

(i) Straight Piece Rate System
(ii) Taylor's Differential Piece Rate System
(iii) Halsey's Premium Plan
(iv) Rowan's Premium Plan

Number of working hours per week	48 hours
Wages Per Hour	Rs. 11.50
Rate Per Piece	Rs. 4.50
Normal time taken per piece	20 minutes
Normal output per week	150 pieces
Actual output per week	180 pieces
Differential piece rates	80% of piece rate when output below normal production and 120% of piece rate when output above the normal production.

Q.3 a) The following annual charges are incurred in respect of a machine in a shop where manual labour is almost nil and where work is done by means of five machines of exactly similar type of specification. **12**

		Rs.
i)	Rent and Rates (proportional to the floor space occupied) for the shop	9,600
ii)	Depreciation on each machine	1,000
iii)	Repairs and maintenance for five machines	2,000
iv)	Electric charges for light in the shop	1,080
v)	Sundry supplies such as lubricants, jute, cotton waste, etc. for the shop	900
vi)	Attendants: There are two attendants for the five machines and they are each paid Rs. 120/- per month.	
vii)	Supervision: For the five machines in the shop, there is one supervisor whose emoluments are Rs. 500/- per month.	
viii)	Power consumed – Rs. 0.05 per unit. The machine uses 20 units of power per hour.	
ix)	Annual working hours per machine – 2,400 hours.	

b) The following is the budget of Essel Engineering Works for the year 2018. **08**

Factory overheads	Rs. 29,000
Direct Labour cost	Rs. 48,900
Direct Labour Hours	67,000 hours

From the above figures calculate:

(i) Overhead absorption rates using Direct Labour Hour Method and Direct Labour Cost Method.

(ii) Prepare a comparative statement of cost showing the result of application of each of the above rates to job no. 667 from the under mentioned data:

Direct Material cost	Rs. 50
Direct Labour cost	Rs. 35
Direct Labour hours	15 hours

Q.4
a) What is Idle time? Explain the types of idle time and its treatment in cost accounts, **10**
b) The following particulars of M/s Ruchi & Co. relate to the year ending 31st March, 2018. **10**

Particulars	Amount (Rs.)
Basic Wages	35,000
House Rent Allowance	4,500
Overtime Allowance	3,200
Night Shift Allowance	4,600
Provident Fund deposited for the period	15,000
Employees' State Insurance Contribution for the period	4,808
Recovery towards House Rent	6,200
Recovery towards supply of goods	5,000

(i) Dearness Allowance – 20% of basic wages.
(ii) Provident Fund is paid for by the employer and the employee in equal share.
(iii) The ratio of contribution by employer and employee to Employees' State Insurance is 7:5.

Determine the net amount of wages paid in cash to employees for the year ending 31st March, 2018.

Q.5
a) What is time wage system? Discuss its merits and demerits. **10**
b) What are overheads? Explain the classification of overhead costs. **10**

Q.6 Write short notes on the following (any four): **20**
a) Objectives of time booking.
b) Causes of Labour Turnover.
c) Distinguish between cost allocation and cost apportionment.
d) Advantages of departmentalization of overhead expenses.
e) Accounting for under-absorption and over-absorption of overheads.

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T.Y.B.com Semester V (CBCS) Ordinance
EXAMINATION OCTOBER 2019
Cost Accounting Major III : Techniques of Costing

[Duration : Two Hours] **[Total Marks :80]**

Instructions:
1) **Question No.1 is Compulsory.**
2) **Answer any Three question from Q.No. 2 to Q. No.6.**
3) **Figures to the right indicate maximum marks allotted.**
4) **All Questions carry equal marks.**
5) **Enter the appropriate main & sub-questions numbers in the answer-book.**

Q.1 You are given the following data for the year ending 31st March, 2019 of the Alliba Company **(20)**

DirectMaterials	Rs. 2,00,000
Direct Labour	Rs. 2,00,000
VariableOverhead	Rs. 2,00,000
Fixed Cost	Rs. 3,00,000
Net Profit	Rs. 1,00,000
Sales	Rs. 10,00,000

Calculate the following:

1. P/V Ratio.
2. Break Even Point in Sales Value.
3. Profit when sales amounted to Rs.15,00,000.
4. Margin of Safety.
5. Sales required to earn a net profit of Rs. 1,20,000 after the corporate Income Tax rate being 40%.

Q.2 A. The following particular are extracted from the records of Shanni Company. **(20)**

Particular	**Product A per unit**	**Product B per unit**
Sales	Rs.100	Rs.120
Consumptions of Material	2 Kgs	3 Kgs
Material Cost	Rs. 10	Rs. 15
Direct Wages Cost	Rs. 15	Rs. 10
Direct Expenses	Rs. 5	Rs. 6
Machine Hours used	3 hours	2 hours
Overhead:		
Fixed	Rs.5	Rs.10
variable	Rs. 15	Rs. 20

Direct Wages per hour is Rs. 5.
Comments on the profitability of each product (both use the same materials) when

1. Total sales potential is limited.
2. Raw material is in short supply.
3. Production capacity (in terms of machine hours) is the limiting factor.

B. Assuming Raw material as the key factor available of which is 10,000 kg. and maximum sales potential of each product being 3,500 units. Find out the product mix which will yield the maximum profit.

Q.3 The standard material inputs required for 1,000 kg. of a finished product are given below. **(20)**

Materials	Qty.(in Kgs.)	Standard Rate perKg.(Rs.)
P	450	Rs. 20
Q	400	Rs. 40
R	250	Rs. 60
Total	1,100	
Less: StandardLoss	100	
Standard Output	**1,000**	

Actual Production in a period was 20,000 Kgs. of the finished product for which the actual quantities of materials used and the price pad thereof as under:

Material	Qty.Used (in Kgs.)	Actual Rate per Kg. (Rs.)
P	10,000	Rs. 19
Q	8,500	Rs.42
R	4,500	Rs.45

Calculate:

1. Material Cost Variance
2. Material Price Variance
3. Material Usage Variance
4. Material Mix Variance
5. Material Yield Variance

Q.4 A) A 100 Skilled workmen, 40 Semi-Skilled workmen and 60 Unskilled workmen were to worked for 30 weeks to get a contract job completed. The standard weekly wages were Rs.60, Rs. 36 and Rs. 24 respectively.

The job were actually completed in 32 weeks by 80 Skilled workmen, 50 Semi-Skilled workmen and 70 Unskilled workmen who were paid Rs. 65, Rs.40 and Rs.20 respectively as weekly wages.

Find out:

1. Labour Cost Variance.
2. Labour Rate Variance.
3. Labour Efficiency Variance. **(10)**

(B) For the data given below relates to modern garments which produces and sold T-shirts during 2018-19. The opening stock of 500 T-shirts valued at Rs.1,00,000 including variable cost of Rs. 80 per T-shirt:

Production	5000 T-shirts
Sales @ Rs.300 per T-shirts	4000 T-shirts
Direct Material Cost	Rs. 2,00,000
Direct Labour Cost	Rs. 1,00,000
Factory Overheads:	
Variable	Rs.1,00,000
Fixed	Rs. 6,00,000

Closing stock is valued at current cost.

You are required to present income statement using:

a) Absorption Costing
b) Marginal Costing

Account briefly for the difference in net profit between the two income statements. **(10)**

Q.5 A) Explain the different classification of reports. **(10)**

B) Explain the need of management Control System in a company. **(10)**

Q.6 Write Short notes on any four of the following: **(4X5=20)**

a) Assumptions of Break Even Analysis.
b) Application of Marginal costing in pricing decision.
c) Merits of Standard Costing.
d) Steps of Performance budgeting.
e) Objectives of Marginal Costing.
f) Significance of Variance Analysis

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T.Y.B.com Semester V (CBCS) Ordinance
EXAMINATION Oct/Nov 2019
Cost Accounting 4 : Management Accounting

[Duration : Two Hours] **[Total Marks :80]**

Instructions:
1) Q.1 is **compulsory**.
2) Answer any **Three Questions** from Question **2**. to question 6.
3) Figures to the **right** indicate **maximum** marks allotted.
4) Working notes should form part of the answer.

Q.1 A silk Garments Industry provides you with the following data at 80% working capacity at which it produces 8,000 units. **(20 marks)**

Particulars	(at 80% capacity) Rs.
Direct material	24,000
Direct labour	16,000
Direct expenses	8,000
Power (30% fixed)	40,000
Repairs and maintenance (60% fixed)	12,000
Selling expenses (40% variable)	24,000
Fixed expenses:	
Depreciation	32,000
Salaries and wages	75,000
Other Administrative expenses	68,000

Prepare a Flexible Budget to show cost of production at 90% and 100% capacity and also determine the total cost per unit, respectively.

Q.2 A company provides you the following information of machine X and Y. **(20 marks)**

Particulars	Machine X	Machine Y
Purchase price	Rs. 5,00,000	Rs. 8,00,000
Useful life	5 years	8 years
Method of depreciation	Straight line	Straight line
Tax rate	30%	30%
Annual sales	Rs. 9,00,000	Rs.10,00,000
Variable cost	40% of sales	30% of sales
Fixed cost (other than depreciation) per annum	Rs. 1,00,000	Rs. 2,00,000
Annuity factor for 5 and 8 years respectively @ 10%	3.791	5.335

Prepare a statement, showing which of the above machines should be purchased, on the basis of net present value (NPV).

Q.3 A) Bright Electronics has given below the budgeted sales figures for January to June 2019. **(10 marks)**

a)

2019	Sales Rs.	2019	Sales Rs.
January	80,000	April	1,20,000
February	1,00,000	May	90,000
March	90,000	June	1,30,000

b) Opening cash and bank balance as on 1st march 2019 Rs. 25, 000.

c) Sales are 30% in cash and 70% on credit. Credit sales are receivable in the second month of sale (January sales receivable in February).

d) Purchases of each respective month are 60% of the sales of the month, payment will be made in the month following the purchase.

e) Other payments:
Income tax, paid in April, Rs. 20,000.
Prepare the cash budget for the two months March and april 2019, respectively.

B) Following are the particulars of two projects P and Q **(10 marks)**

Particulars	Project P	Project Q
Initial cash outflow	Rs. 4,00,000	Rs.3,50,000
Annual profit before tax (after depreciation)	Rs.1,20,000	Rs.1,00,000
Tax rate	30%	30%
Yearly Depreciation	Rs. 80,000	Rs.70,000
Life of the project	5 years	5 years

Calculate the payback period for the above projects, respectively.

Q.4 A) A company manufacturing bedsheets submits the following figures. **(10 marks)**

For the first quarter of 2018	Product 'Pink'	Product 'Green'
a. Sales in units		
January	3,000	4,200
February	2,500	6,000
March	3,500	5,500
b. Selling price per unit	Rs. 200	Rs.250
Target for first quarter of 2019		
c. Sales quantity increase	10%	20%
d. Sales price increase	10%	12%

From the above, prepare a sales Budget for the first quarter ended March 2019.

B) State and explain the functions of management Accounting. **(10 marks)**

Q.5 A) What is "Target Costing"? Enumerate its various advantages. **(10 marks)**

B) Explain in brief, the scope of management accounting in an organization. **(10 marks)**

Q.6 Write short notes on any four of the following: **(4x5=20marks)**

a) The need for Enterprise Resource Planning.
b) Tools and techniques of Management Accounting.
c) Traditional methods of project evaluation.
d) Benefits of Enterprise Resource Planning.
e) Functional budgets
f) Stages involved in Target Costing.