

**OLD**

**2018**

**Part II 3-Tier**

**COST ACCOUNTING**

**PAPER—XIV**

**(Honours)**

*Full Marks : 100*

*Time : 3 Hours*

*The figures in the right-hand margin indicate full marks.*

*Candidates are required to give their answers in their own words as far as practicable.*

*Illustrate the answers wherever necessary.*

1. Answer any five questions : 5×4
- (a) Distinguish between 'Cost Centre' and 'Cost Unit'.
  - (b) Distinguish between 'Apportionment' and 'Allocation of Overheads'.
  - (c) Define 'marginal cost' and 'marginal costing'.
  - (d) Discuss the features of contract costing.

*(Turn Over)*

- (e) How can idle time be controlled?
- (f) Out of LIFO and FIFO which method would you recommend for pricing of stores and why?
- (g) " 'Cost Accounting' is said to be one of the very useful tools in the management of increasing productivity" — Discuss.
- (h) Classify cost according to element with examples in each case.
- (i) Mention the uses of standard costing.
- (j) What is Integral Accounting? Mention its major benefits.

2. Answer any *five* questions :

5×8

- (a) Distinguish between job costing and contract costing.
- (b) What are the advantages and disadvantages of centralised storage?
- (c) Mention the steps to be followed to install an effective costing system in a large manufacturing Company.
- (d) A company is considering a reduction in the price of its product by 10% because it is felt that such a step

may lead to a greater volume of sales. It is anticipated that there will be no change in total fixed cost or variable cost per unit. The Directors wish to maintain profit at the present level.

Your are given the following information :

|                        |             |
|------------------------|-------------|
| Sales (15,000 units)   | Rs. 3,00,00 |
| Variable Cost per unit | Rs. 13      |
| Fixed Costs            | Rs. 60,000  |

Calculate : (i) P/V Ratio and (ii) The amount of sales required to maintain profit at the present level after reduction of selling price by 10%.

- (e) Excel Ltd. manufactures a product having a monthly demand of 2000 units. For one unit of finished product, 2 kg of a particular raw material item is needed. The purchase price of the material is Rs. 20 per kg. The ordering cost is Rs. 120 per order and the holding cost is 10% p.a. Calculate :

- i) Economic order quantity.
- ii) Annual cost of purchase and storage of raw material at that quantity.

- (f) *The standard time* of Job-M is 100 hours. The job has been completed by Raj in 60 hours, Rahan in 80 hours and Rik in 95 hours.

The bonus system applicable to the job is as follows:

| <u>% of time saved to time allowed</u> | <u>Bonus</u>      |
|--|-------------------|
| Saving up to 10%                       | 10% of time saved |
| From 11% to 20%                        | 15% of time saved |
| From 21% to 40%                        | 20% of time saved |
| From 41% to 100%                       | 25% of time saved |

The rate of pay is Re. 1 per hour. Calculate the total earnings of each worker and also the rate of earnings per hour.

- (g) A company has three production departments and two service departments. Distribution summary of overheads is as follows :

Production Departments :

A : Rs. 13,600

B : Rs. 14,700

C : Rs. 12,800

Service Departments :

X : Rs. 9,000

Y : Rs. 3,000

The expenses of service departments are charged on a percentage basis which is as follows :

|         | A   | B   | C   | X   | Y   |
|---------|-----|-----|-----|-----|-----|
| X Dept. | 40% | 30% | 20% | -   | 10% |
| Y Dept. | 30% | 30% | 20% | 20% | -   |

Apportion the expenses of Service Departments by using the Repeated distribution method.

- (h) From the following transactions extracted from the books of accounts of a manufacturing concern as on 31.12.2010, work out : (i) Consumption value of raw materials in the month of December 2010; (b) value of closing stock as on 31.12.2010 under the FIFO method of pricing material issues.

|        |               | <u>Quantity</u><br>(in units) | <u>Rate per</u><br>unit (Rs.) |
|--------|---------------|-------------------------------|-------------------------------|
| 2010   |               |                               |                               |
| Dec. 1 | Opening Stock | 300                           | 9.70                          |
| 3      | Purchases     | 250                           | 9.80                          |
| 11     | Issues        | 400                           | -                             |
| 15     | Purchases     | 300                           | 10.05                         |
| 20     | Issues        | 210                           | -                             |
| 25     | Purchases     | 150                           | 10.30                         |
| 29     | Issues        | 100                           | -                             |

(i) What is Job order Costing? Discuss its advantages and disadvantages. (2+3+3)

(j) What are the factors to be considered for determining the different levels of stock of material? 8

3. Answer any two questions : 2×15

(a) Standard Labour Hours and Rate for production of one unit of Article X is given below :

|                     | Hours     | Rate per hour (Rs.) | Total (Rs.)  |
|---------------------|-----------|---------------------|--------------|
| Skilled worker      | 5         | 1.50                | 7.50         |
| Unskilled worker    | 8         | 0.50                | 4.00         |
| Semi-Skilled worker | 4         | 0.75                | 3.00         |
|                     | <u>17</u> |                     | <u>14.50</u> |

Actual data : Production (1000 units)

|                     | Hours worked       | Rate per hour (Rs.) | Total (Rs.)  |
|---------------------|--------------------|---------------------|--------------|
| Skilled worker      | 4500 Hours         | 2.00                | 9000         |
| Unskilled worker    | 10000 Hours        | 0.45                | 4500         |
| Semi-skilled worker | 4200 Hours         | 0.75                | 3150         |
|                     | <u>18700 hours</u> |                     | <u>16650</u> |

Calculate labour variances.

- (b) A product passed through two distinct processes A and B. Make out the necessary accounts from the following details :

|                            | Process A (Rs.) | Process B (Rs.) |
|----------------------------|-----------------|-----------------|
| Material Cost              | 30000           | 3000            |
| Labour Cost                | 10000           | 12000           |
| Production overheads       | 7000            | 8600            |
| Input                      | 20000 units     | 17500 units     |
| Normal loss                | 10%             | 4%              |
| Scrap value of normal loss | Re. 1           | Rs.2            |

There was no opening or closing work-in-progress.

- (c) MC Ltd. entered a contract to construct a building. The contract value is Rs. 6,50,000 to be realised in instalments on the basis of the value of work Certified by the architect subject to a retention of 10%. The work commenced on 1.4.2011 but it remained incomplete on 31.12.2011 when the final accounts are to be prepared. The facts and figures of the contract are : Plant charged to contract at the commencement - Rs. 32,000; Materials charged to contract - Rs. 1,80,000, Wages paid - Rs. 87,000; Expenses incurred on the contract - Rs. 38,750.

Total establishment expenses amounted to Rs. 41,000 out of which 25% is attributable to this contract. Out of the materials issued to the contract, material costing Rs. 4,000 were sold for Rs. 5,000. A part of the plant (Cost Rs. 2,000) was damaged on 1.10.2011 and the scrap realised Rs. 300 only. Plant costing Rs. 3,000 was used for another contract on 31.12.2011.

Plant is to be depreciated @ 10% p.a.; Materials in hand on 31.12.2011 – Rs. 17,500; Cash received from the contractee – Rs. 3,06,000; Cost of work yet to be certified – Rs. 30,000.

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

- (d) Write short notes (any three) : 3×5
- i) Inter-Process Profit
  - ii) Overtime Premium
  - iii) Opportunity Cost
  - iv) Purpose of Cost Accounting

**[Internal Assessment - 10 Marks]**



## বঙ্গানুবাদ

দক্ষিণ প্রান্তস্থ সংখ্যাগুলি প্রথমমান নির্দেশক।

পরীক্ষার্থীদের যথাসম্ভব নিজের ভাষায় উত্তর দেওয়া প্রয়োজন।

১। যেকোনো পাঁচটি প্রশ্নের উত্তর দাও :

৫×৪

- (ক) 'পরিব্যয় কেন্দ্র' ও 'পরিব্যয় এককে'র মধ্যে পার্থক্য নির্ণয় করো।
- (খ) উপরি ব্যয়ের 'আনুপাতিকহারে বণ্টন এবং 'সরাসরি বণ্টন'-এর মধ্যে পার্থক্য দেখাও।
- (গ) 'প্রান্তিক পরিব্যয়' ও 'প্রান্তিক পরিব্যয় নির্ণয়' পদ্ধতির সংজ্ঞা দাও।
- (ঘ) ঠিকা পরিব্যয় নির্ণয় পদ্ধতির বৈশিষ্ট্য আলোচনা কর।
- (ঙ) কিভাবে 'অলস সময়' নিয়ন্ত্রণ করা যায়।
- (চ) মালপত্র মূল্যায়নের ক্ষেত্রে তুমি কখন ~~ছ~~ ও ~~চ~~ পদ্ধতি সমর্থন করবে এবং কেন?
- (ছ) "পরিব্যয় হিসাব নিকাশকরণ" হলো একটি উপাদানশীলতা বৃদ্ধির একটি অন্যতম গুরুত্বপূর্ণ হাতিয়ার"—আলোচনা কর।
- (জ) প্রতিক্ষেত্রে উদাহরণসহ উপাদানের ভিত্তিতে ব্যয়কে ~~শ্রেণীবিন্যাস~~ ~~করো~~।

- (ব) মানক পরিব্যয় নির্ণয় পদ্ধতির ব্যবহারগুলি উল্লেখ করো।
- (গ্র) একত্রীকৃত হিসাবরক্ষণ কি? এর মূল সুবিধাগুলি উল্লেখ করো।

২। যেকোনো পাঁচটি প্রশ্নের উত্তর দাও :

৫×৮

- (ক) কার্যভিত্তিক পরিব্যয় নির্ণয় ব্যবস্থা ও ঠিকা পরিব্যয় নির্ণয় ব্যবস্থার মধ্যে পার্থক্য নির্ণয় কর।
- (খ) কেন্দ্রীভূত মজুতকরণের সুবিধা ও অসুবিধাগুলি কি?
- (গ) বৃহৎ একটি উৎপাদনকারী কোম্পানীর ক্ষেত্রে কার্যকরী একটি পরিব্যয় নির্ণয় ব্যবস্থা চালুর ক্ষেত্রে কি কি পদক্ষেপ তুমি অনুসরণ করবে তার উল্লেখ করো।
- (ঘ) A company is considering a reduction in the price of its product by 10% because it is felt that such a step may lead to a greater volume of sales. It is anticipated that there will be no change in total fixed cost or variable cost per unit. The Directors wish to maintain profit at the present level.

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- (জ) From the following transactions extracted from the books of accounts of a manufacturing concern as on 31.12.2010, work out : (i) Consumption value of raw materials in the month of December 2010; (b) value of closing stock as on 31.12.2010 under the FIFO method of pricing material issues.

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- (ঝ) কার্য পরিব্যয় নির্ণয় পদ্ধতি কাকে বলে? তার সুবিধা ও অসুবিধাগুলি আলোচনা কর।
- (ঞ) কাঁচামাল মজুতকরণের বিভিন্ন স্তরগুলি নির্ধারণে কি কি বিষয় বিবেচনা করবে।

৩। যেকোনো দুটি প্রশ্নের উত্তর দাও :

২×১৫

(ক) Standard Labour Hours and Rate for production of one unit of Article X is given below :

|                     | Hours     | Rate per hour (Rs.) | Total (Rs.)  |
|---------------------|-----------|---------------------|--------------|
| Skilled worker      | 5         | 1.50                | 7.50         |
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Actual data : Production (1000 units)

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

(ঘ) সংক্ষিপ্ত টীকা লেখ (যেকোনো তিনটি) :

৩×৫

- i) আন্তঃ-প্রক্রিয়া মুনাফা
- ii) অধিককাল প্রিমিয়াম
- iii) সুযোগ ব্যয়
- iv) পরিব্যয় হিসাবনিকাশের উদ্দেশ্য

[ অভ্যন্তরীণ মূল্যায়ন - ১০ নম্বর ]