

TILAK MAHARASHTRA VIDYAPEETH, PUNE
BACHELOR OF COMMERCE (B. COM)
EXAMINATION: DECEMBER- 2024
FIFTH SEMESTER

Sub.: Cost & Work Accounting-II (BCOM19-303C)

Date: 05/12/2024

Total Marks: 100

Time: 10.00 am to 1.00 pm

Instructions: 1) All questions are compulsory.
2) Figures to the right indicate full marks.

Q. 1. (A) Fill in the blanks (Any 5) (10)

- _____ is the function of receiving material, storing them & issuing these to the workshops.
 - Storekeeping
 - Purchase
 - Sales
 - Marketing
- The method of costing applied in steel industries is ----- costing
 - Process costing
 - Contract costing
 - Operating costing
 - Target costing
- Inventory control is the core of ----- management.
 - Stock
 - Labour
 - Material
 - Cost
- Where the actual loss in a process is less than the anticipated loss, the difference is _____.
 - Normal gain
 - Abnormal gain
 - Abnormal loss
 - Normal Loss
- The materials which can be easily identified & attributable to the individual units being manufactured are known as -----.
 - Indirect material
 - Expenses
 - Direct material
 - Closing stock
- Basis for apportionment of Rent is _____.
 - Light point
 - Floor area
 - Direct
 - Book value
- Abnormal gain should be _____ to the costing P & L A/c.
 - Debited
 - Credited
 - No effect
 - None of these

(B) State whether the following statements are true or false (any 5) (10)

1. Process costing differs from JOB costing.
2. Purchasing of material is always centralized.
3. There is no difference between process costing and operation costing.
4. Hiring of special machinery, subcontracting are direct expenses.
5. Production overhead is also known as factory overhead, works overhead.
6. All products have significant value.
7. Administrative overheads, factory overhead, works overhead.

Q. 2. (A) Define Job costing; state its feature and procedure of Job costing. (20)

OR

(B) X ltd has three production departments A, B and C and two service departments D and E. The following figures are extracted from the records of the company.

	Rs.
Rent and rates	20,000
Indirect wages	6,000
Depreciation of machinery	40,000
General lighting	2,400
Power	6,000
Sundries	40,000

The following further details are available:

	Total	A	B	C	D	E
Floor space (sq.ft)	20,000	4,000	5,000	6,000	4,000	1000
Light points	120	20	30	40	20	10
Direct wages (Rs)	20,000	6,000	4,000	6,000	3,000	1000
Horse power of Machines	300	120	60	100	20	-----
Value of machines (Rs)	5,00,000	1,20,000	1,60,000	2,00,000	10,000	10,000

You are required to apportion the costs to various departments on the most equitable basis by preparing a primary distribution summary.

Q. 3. (A) Materials X and Y are used as follows: (10)

Minimum usage – 50 units each per week

Maximum usage – 150 units each per week

Normal usage – 100 units each per week

Ordering quantities X = 600 units

Y = 1,000 units

Delivery period X = 4 – 6 weeks

Y = 2 – 4 weeks

Calculate for each material (i) Maximum level (ii) Minimum level and (iii) Ordering level.

(B) Write short notes. (Any 4)**(20)**

1. Specimen of Job Cost Card
2. Specimen of Production Order
3. Economic order Quantity.
4. Re-order level
5. Inventory Control
6. Specimen of Cost Summary or Monthly Cost Sheet (Operating Costing)

Q. 4. Solve the following problem (Any 2)**(30)**

1. Transport costing computation of operating cost per tone –km. From the following data, relating to a good transport company ABC transport Co. Ltd. Calculate the cost per tone-km

Particulars	Rs.
Drivers salary	20,000
Garage mechanic salary	10,000
Managers salary	30,000
Garage rent	6,000
Accountants salary	24,000
Insurance premium	4,000
Cleaners salary	24,000
Administration overhead	10,000
Depreciation	50,000
Road tax and permit fee	2,000
Interest	12,000
Petrol and diesel consumed	10,000
Tyres and tubes	8,000
Lubrication and sundries	2,000
Spares	4,000
Repairs and maintenance	6,000
Hire charges	4,000

The Trucks ran 1,000 km during the year ended 31 March 2021, and the quantity of goods carried is 100 tones.

2. 500 tones of raw material are used for producing a commodity which passes through two processes. The costs are as follows:

	Process I (Rs)	Process II (Rs)
Materials	10,000	-----
Labour	5,000	2,500
Work expenses	2,000	1,000

10 % of the material is wasted in the process. The wastage is normal. The scrap realized is Rs.300. You are required to show Process No. I Account.

3. Explain the concept of Factory Overheads. How it is different from Administrative and Selling Overheads.
4. What do you mean by overhead? Explain the different types of overhead.