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**4 SEM TDC COAC (CBCS) C 408**

**2 0 2 4**

( May/June )

**COMMERCE**

( Core )

Paper : C-408

**( Cost Accounting )**

*Full Marks : 80*

*Pass Marks : 32*

*Time : 3 hours*

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

1. (a) Fill in the blanks : 1×3=3

- (i) \_\_\_\_\_ is the combination of direct material, direct labour and direct expenses.
- (ii) Fixed cost per unit \_\_\_\_\_ when volume of production increases.
- (iii) Where actual loss in a process is less than the anticipated loss, the difference between the two is considered to be \_\_\_\_\_.

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( Turn Over )



( 2 )

- (b) Write True or False :  $1 \times 3 = 3$
- (i) The method of costing used in oil refinery is job costing.
  - (ii) High wages need not necessarily mean high cost per unit.
  - (iii) In contract costing, most of the items of cost are direct.
- (c) Choose the correct answer :  $1 \times 2 = 2$
- (i) Administrative expenses are mostly fixed / variable.
  - (ii) High / Low labour turnover rate denotes good human relations.

2. Write short notes on any four of the following :  $4 \times 4 = 16$
- (a) Objectives of Cost Accounting
  - (b) Causes of Labour Turnover
  - (c) Activity-based Cost Allocation
  - (d) Contract Costing
  - (e) Perpetual Inventory System

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( Continued )

( 3 )

3. (a) "Cost may be classified according to their nature and number of other characteristics." Discuss the statement while classifying costs. 14

Or

- (b) The Amlan Company Ltd. furnishes the summary of Trading and Profit & Loss A/c for the year ended 31st December, 2023 :

*Trading and Profit & Loss A/c of  
Amlan Co. Ltd. for the year ended 31.12.2023*

Dr.		Cr.	
Particulars	Amount ₹	Particulars	Amount ₹
To Opening Stock	4,94,358	By Sales	6,93,000
▪ Purchases	1,64,308	▪ Closing Stock	1,50,242
▪ Direct Wages	44,266		
▪ Factory Overhead	43,652		
▪ Gross Profit c/d	96,658		
	<u>8,43,242</u>		<u>8,43,242</u>
To Administrative Expenses	19,690	By Gross Profit b/d	96,658
▪ Selling Overhead	44,352	▪ Sundry Income	632
▪ Net Profit	33,248		
	<u>97,290</u>		<u>97,290</u>

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( Turn Over )



(b) A worker on a day's wage of ₹ 72.00 for 8 hours is given a job to be completed. He is given ₹ 1 per hour actually worked as cost of living bonus. If he takes 6 hours to complete the job, what is his total earning under 'Halsey Plan' and 'Rowan Plan'?

7+7=14

Or

4. (a) Describe the various methods of pricing of material issues and point out their advantages and disadvantages.  $6+4+4=14$

From the above information, you are required to prepare a Cost Sheet showing profit or loss as per Cost A/cs.

(v) Selling overhead charged @ 5% on value of sales

(iv) Administrative Expenses charged @ 3% on value of sales

(iii) Factory overhead absorbed— ₹ 39,428

(ii) Direct wages absorbed during the year— ₹ 49,734

(i) Closing Stock— ₹ 1,56,394

The following information of last year's costing records shows that :

(i) Power consumption 20 units per hour. Rate of power per 100 units is ₹ 20

(ii) Estimated working hours of the machine, 2300 hours per year

(iii) Shop Supervisor's salary per month ₹ 1,800

Particulars		₹
Cost of machine, life of the machine 10 years	2,00,000	
Installation charges	20,000	
Estimated scrap value	10,000	
Rent and rates, p.a.	7,200	
General lighting of the shop p.m.	800	
Insurance premium for the machine per quarters	720	
Repair and maintenance p.a.	3,000	

(b) From the following details, compute the hourly rate of machine installed in a shop : 14

Or

5. (a) Define overhead. What do you mean by absorption of overheads? Discuss the different methods of absorption of overheads.  $4+4+6=14$

( 6 )

- (iv) The Supervisor is expected to devote  $\frac{1}{5}$ th of his time for supervising the machine
- (v) The machine occupies  $\frac{1}{4}$ th of the total floor area of the shop
- (vi) Normal idle time is expected to be 300 hours per annum

6. (a) What is Job Costing? What are its objectives? State the types of industries where it is applicable. 14

Or

- (b) A product passes through three processes A, B and C. The normal wastage of processes is 3%, 5% and 8% respectively. The wastage of processes is sold for ₹ 75, ₹ 238 and ₹ 728 respectively.

10000 units were issued to process—A in the beginning of the month of ₹ 1.00 per unit. The other expenses (in ₹) were as follows :

Particulars	A	B	C
Sundry Materials	1,000	3,000	500
Labour	8,000	13,000	5,300
Direct Expenses	475	1,338	388

( 7 )

The actual output was A—9500 units, B—9100 units and C—8100 units, there was no stock at the beginning or end of the month.

Prepare Process A/c.

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