[This question paper contains 4 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 3613 **H**

Unique Paper Code : 6132392402

Name of the Paper : COST ACCOUNTING

Name of the Course : **B.A. (VS) Small & Medium Enterprise Part – II**

Semester : IV NEP

Duration : 3 Hours Maximum Marks : 90

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **five** questions. Show your working notes as part of your answer.
3. **All** questions carry equal marks.
4. Use of simple calculator is allowed.

1. What is Cost Accounting? What are its objectives and limitations? Distinguish between cost accounting and financial accounting.

2. The SP Ltd. supplies you the following details from its cost records :

Particular	**Rs.**
Stock of raw materials on January 1, 2022	1,50,000
Stock of raw materials on January 31, 2022	1,80,000
Direct wages	1,05,000
Indirect wages	6,000
Work-in-progress 1.1.2022	56,000
Work-in-progress 31.1.2022	70,000
Purchase of raw materials	1,60,000
Factory rent, rates and power	30,000
Depreciation of plant and machinery	7,000
Carriage inward	3,000
Carriage outward	2,000
Advertising	5,000
Office rent	10,000
Traveller's wages	12,000
Stock of finished goods on 1.1.2022 (1,000 units)	54,000

Stock of finished goods on 31.1.2022 (2,000 units)	?
Bad debts	1,000
Interest on the hire-purchase instalments	2,000

The company wants to have a profit of 25% on cost. The units manufactured during the month were 10,000 units. Prepare a cost sheet giving the cost and profit.

3. SR Ltd. is reviewing its purchase policy with regard to the purchase of an important material. You are given the following information :

(i) Annual Demand : 10,000 Kg.

(ii) Ordering cost : Rs. 500 per order

(iii) Price per Kg. : Rs. 200

(iv) Stock holding cost : 20%

The purchase manager wants to purchase the entire annual requirement in 5 orders of equal quantity. Work out the gain or loss to the organization due to his ordering policy.

4. A product is completed through two processes A and B. During a particular month, 11,000 units of basic raw material @ Rs. 5 per unit were introduced. Other information for the month is as follows :

Particulars	**Process X**	**Process Y**
Output (units)	9,000	8,000
Normal Wastage (% of input)	5	10
Value of Normal wastage (per 100 units)(Rs.)	3	4
Direct Wages (Rs.)	11,000	12,000
Manufacturing Expenses (Rs.)	4,230	4,790

From the information given above prepare process and other necessary accounts.

5. SM Ltd. has obtained a contract for construction of a building. The contract price for the work is Rs.12 lakhs. The company commenced the work on this contract on Ist October 2022. The following details are shown in their books for the year ending 30th September 2023.

Particulars	Rs.
Mixing Plant purchased	60,000
Wages paid	3,40,000
Materials issued to site	3,36,000
Direct expenses	8,000
General overheads apportioned	32,000
Wages accrued (September 30, 2023)	2,800
Materials at site (September 30, 2023)	4,000
Cost of work not certified	14,000
Direct expenses accrued (September 30, 2023)	1,200
Cash received (80% of work certified)	600,000

The life of the mixing plant is estimated at 5 years and is expected to have no scrap value after its life span. The company uses straight line method of charging depreciation. You are required to prepare a contract account for the year ending 30th September 2023 and an abstract of the balance sheet.

6. A person started transport business with a fleet of 10 taxis. The various expenses incurred by him are given below :

(i) Cost of each taxi	Rs. 6,00,000.
(ii) Salary of office staff	Rs. 12,000 p.m.
(iii) Salary of garage staff	Rs. 16,000 p.m.
(iv) Rent of garage	Rs. 8,000 p.m.
(v) Driver's salary per taxi	Rs. 12,000 p.m.
(vi) Road tax and repairs per taxi	Rs. 18,000 p.a.
(vii) Insurance premium	@ 4% of cost p.a.

The life of a taxi is 3,00,000 km. and at the end of which it is estimated to be sold at Rs.50,000. A taxi runs on an average 4,000 km. per month of which 20% it runs empty. Fuel consumption is 12 km per Kg. of CNG costing Rs.35 per Kg. Oil and other sundry expenses amount to Rs.50 per 100 km. Calculate the effective cost of running a taxi per km.

7. (a) Distinguish between normal and abnormal idle time. How are these treated in cost accounting? (6)

(b) Compute the machine hour rate for the following details relating to a machine whose scrap value is nil :

Cost of machine		Rs. 1,90,000
Freight and installation charges		Rs. 10,000
Working life		5 years
Repairs and maintenance		40% of depreciation
Annual power expenses		Rs. 6,000
Charges per day consisting of 8 hours :		
Power	Rs. 24	
Lubrication oil	Rs. 20	
Consumable stores	Rs. 28	
Wages	Rs. 80	

(12)

8. Write short notes on **any three** of the following :

(i) Employee Turnover Rate

(ii) Wastage and Scrap

(iii) Spoilage and Defectives

(iv) Over and under absorption of overheads

(v) Job Costing