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# C. U. SHAH UNIVERSITY Winter Examination-2019 

## Subject Name: Cost Accounting -I

Subject Code: 4CO05CAC2
Semester : $5 \quad$ Date : 25/11/2019

Branch: B.Com (English)
Time : 10:30 To 01:30 Marks : 70

Instructions:
(1) Use of Programmable calculator \& any other electronic instrument is prohibited.
(2) Instructions written on main answer book are strictly to be obeyed.
(3) Draw neat diagrams and figures (if necessary) at right places.
(4) Assume suitable data if needed.

## Q-1 Attempt the following questions:

a) Name any one costing method1
b) Explain with example indirect material 1
c) State any two objectives of cost accounting 1
d) Give the formula of EOQ 1
e) Explain in brief ABC system of stores control 1
f) What is the difference between scrap and defectives? 1
g) What is the full name of FIFO method? 1
h) State the meaning of piece rate system 1
i) What is the meaning of overtime? 1
j) Name any two fringe benefits 1
k) Explain variable cost with example 1
l) Name any two selling and distribution expenses 1
m) When Proforma contract account is prepared? 1
n) Explain escalation clause in brief 1

Attempt any four questions from Q-2 to Q-8

| Q-2 | Attempt all questions | (14) |
| :---: | :---: | :---: |
| a | X construction co. provides below information | 7 |
|  | Contract price Rs. 15,00,000 |  |
|  | Total expenses Rs. 5,20,000 |  |
|  | Cash received Rs. 6,50,000 (Being 75\% of works certified) |  |
|  | Work completed $80 \%$ |  |
|  | Find out uncertified work. |  |
| b | Name different types of contracts and explain any one in detail | 7 |
| Q-3 | Attempt all questions | (14) |
| a | From below information calculate labour turnover rate by all three methods. | 7 |


| Number of employees on Dt. 1/4/2018 | 1000 |
| :--- | :--- |
| Number of employees resigned during <br> the year | 50 |
| Number of employees retrenched <br> during the year | 75 |
| Number of employees joined during <br> the year due to expansion | 225 |
| Number of employees joined during <br> the year in place of those resigned and <br> retrenched | 100 |
| Number of employees on Dt. <br> $31 / 3 / 2019$ | (?) |

b Mr. X has taken 36 hours to complete the job. The wage rate per hour is
Rs. 10. If he has received Rs. 432 as total wages according to rowan plan, what would be the amount of wages earned by him according to Halsey plan?
Q-4 Attempt all questions
The following information relates to a building contract of Rs. 10,
00,000.

| Particulars | Amount |
| :--- | :--- |
| Material consumed | 250000 |
| Direct wages | 275000 |
| Direct Expenses | 20000 |
| Indirect Expenses | 8000 |
| Work certified | 750000 |
| Work uncertified | 8000 |
| Plant issued | 16000 |
| Plant at site at the end of year | 9000 |
| Cash received from contractor | 600000 |

Prepare contract account taking into consideration those profit which may be transferred to $\mathrm{P} \& \mathrm{~L} \mathrm{~A} / \mathrm{c}$
Q-5 Attempt all questions
a From the below information find out Maximum level, Minimum level and Ordering level.

| Normal consumption | 100 units per day |
| :--- | :--- |
| Minimum consumption | 60 units per day |
| Maximum consumption | 130 units per day |
| Ordering Quantity | 5000 units |
| Re- ordering Period | 25 to 30 days |

b Form below information relating to material X for the year 2018.
Calculate Value of material consumed, value of average stock, material turnover Ratio \& material turnover in days.
Opening stock Rs. 7500, Purchases Rs. 65000 and Closing stock Rs. 12500.
a A, B \& C are Production department and X \& Y are service department departments as shown in below table.

| Departme <br> nts | A | B | C | X | Y |
| :--- | :--- | :--- | :--- | :--- | :--- |
| X | $20 \%$ | $40 \%$ | $30 \%$ | - | $10 \%$ |
| Y | $40 \%$ | $20 \%$ | $20 \%$ | $20 \%$ | - |

The Overheads of five departments are Rs. 4000, Rs.3500, Rs. 3000, Rs. 1170 \& Rs. 1500 respectively. Apportion the service department expenses over production departments by repetitive distribution method.
The following information relates to activities of a production department of a factory for a certain period.
Material used Rs.72, 000, direct wages Rs. 60,000, overhead chargeable to department Rs.50, 000, labour hours worked 40,000 and machine hours operated 40,000.
On one job in the department during the period the data is as under. Material used Rs. 4,000, direct wages Rs. 3,300, labour hours 3,000 and machine hours 2,400 .
Calculate by three different methods works cost of the job (1) percentage on direct material (2) percentage on direct labour and (3) percentage on prime cost.
Q-7 Attempt all questions
a State advantages and limitations of cost accounting 7
b Explain normal and abnormal idle time 7 Q-8 Attempt all questions
a Short note : Classification of overheads
b State the basis of apportionment of any seven expenses(overheads) 7


