

Enrollment No: \_\_\_\_\_

Exam Seat No: \_\_\_\_\_

# C. U. SHAH UNIVERSITY

## Winter Examination-2021

**Subject Name: Cost Accounting-I**

**Subject Code: 4CO05CAC2**

**Branch: B.Com (English)**

**Semester: 5**

**Date: 13/12/2021**

**Time: 11:00 To 02:00**

**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.

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- Q-1                      Attempt the following questions:                      (14)**
- a) Which one of the following is not a costing method? 1  
(a) Standard costing    (b) direct costing  
(c) absorption costing.   (d) process costing
- b) Which one of the following is a "period cost"? 1  
(a) Plant depreciation                      (b) canteens expenses  
(c) office rent.                                      (d) direct labour
- c) Where costs are ascertained after the hour already incurred, the method used is is termed as \_\_\_\_\_ 1  
(a) Uniform costing.                      (b) Historical costing  
(c) Standard costing.                      (d) Absorption costing
- d) A \_\_\_\_\_ is generally maintained to record all the details of purchase order. 1  
(a) Purchase order                      (b) Order register.  
(c) Purchase requisition                      (d) none of these
- e) Most profitable quantity to purchase is called- 1  
(a) Maximum quantity                      (b) Minimum quantity  
(c) Economical ordering quantity.                      (d) Average quantity
- f) In which method goods remain in the stock of last purchase? 1  
(a) LIFO method.                                      (b) FIFO method.  
(c) Weighted average method.                      (d) Fixed purchase method
- g) In which method price and quantity both are considered? 1  
(a) FIFO Method.                                      (b) LIFO method.  
(c) Weighted average method                      (d) None of these
- h) Recess time to worker during the day is- 1  
(a) Normal unproductive time.                      (b) Abnormal unproductive time  
(c) Not considered as unproductive                      (d) None of the above
- i) Which wage system is proper where speed of the work depends on machine not on the man? 1  
(a) Piece wages system.                      (b) Halsey wages system  
(c) Rowan wages system.                      (d) Time wages system



- j) In the cost accounts delivery van expenses are included in- 1  
 (a) Factory cost. (b) Administrative cost  
 (c) Selling cost. (d) None of the above
- k) If a separate meter is not allocated, electricity cost will be apportioned 1  
 according to-  
 (a) Horse power (b) Area occupied (c) Direct cost (d) Direct material
- l) Basis of apportionment for indirect labour is- 1  
 (a) Direct labour ratio. (b) Number of workers' ratio  
 (c) Labour hour ratio. (d) As per machine hour rate
- m) As per contract accounts , uncertified work means- 1  
 (a) Work in progress. (b) Work without permission  
 (c) Work not certified. (d) Finished work
- n) Contract costing is mostly used in- 1  
 (a) Job. (b) Service. (c) Construction. (d) Batch

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

**Q-2 Attempt all questions (14)**

- (a) State objectives of Cost Accounts. 7  
 (b) Explain importance of Material Control 7

**Q-3 Attempt all questions (14)**

- (a) Explain functional classification 7  
 (b) State objectives of material control 7

**Q-4 Attempt all questions (14)**

- (a) The following information of Shiv limited: 7

Annual consumption.	12000 units
Cost per unit.	Rs.1
Cost per order.	Rs.12
Inventory carrying cost.	20%p.a.
Lead time (maximum, average, minimum)	30-15-5 days
Daily consumption(maximum, average, minimum).	45-33-15 units
Maximum time of emergency procurement-	5 days

- (b) From the following information, find out the labour turnover rate on the 7  
 basis of:

1) Separation method 2) Replacement method 3) Flux method	
Number of workers at the beginning of the year.	560
Number of workers at the end of the year.	640
Number of workers who left during the year.	72
Number of workers newly recruited in place of Workers who left during the year.	60

**Q-5 (14)**

In the Ram manufacturing, there are three production departments A, B and C and two service departments D and E. The details of the expenses during March 2020 are as under:



Particulars	Rs
Indirect wages	12,000
Insurance	6,000
Canteen Expenses	18,000
Lighting	10,000
Rent and Rates	15,200
Contribution to ESI	5,000
Depreciation	36,000
Power	45,000

**Other Information:**

Particulars	A	B	C	D	E
Lighting Points	12	8	8	6	6
Direct wages Rs.	18,000	15,000	12,000	9,000	6,000
Cost of machine	1,44,000	96,000	72,000	24,000	24,000
Horse power of machine	6	6	3	-	-
Space occupied	600	400	500	200	200
No. of workers	50	60	40	20	10

The benefit of service departments D and E, derived by the other departments is in following proportion:

Particulars	A	B	C	D	E
Department –D	20%	30%	40%	-	10%
Department-E	30%	40%	30%	-	-

Prepare the statement showing:

- 1) Distribution of overheads to various departments and,
- 2) Distribution of expenses of service department to production departments

**Q-6 Attempt all questions (14)**

- (a) A Worker has been allowed to complete a work in in 12 hours, but he completes the work in 9 hours. Labour rate per is Rs.20. if cost of material is Rs. 80 and factory overheads are 150% of direct labour, find out factory cost as per following methods:

- 1) Halsey plan. 2) Rowan plan. 3) piece rate system

- (b) The following information is available in respect of material for the year 7

Opening stock.	Rs.7,500
Purchase	Rs.65,000
Closing stock	Rs.12,500

Calculate value of average stock, real turnover ratio, material turnover in days.

**Q-7 Attempt all questions (14)**

- (a) Explain principles of determining wage rate 7
- (b) Write difference between LIFO and FIFO methods 7



Q-8

(14)

Radha construction company under took the construction of a building at a contract price of Rs. 4,80,000. Date of commencement of contract was 1st April 2020.

The following cost information is given for the year ended 31st March 2021.

	<b>Rs.</b>
Materials (direct).	1,53,900
Materials (from stores).	31,500
Wages.	81,900
Direct expenses.	26,100
Establishment charges (apportioned).	9,000
Plant.	96,600
Subcontract cost.	9,000
Sale of scrap.	6,000

**The further information is as follows:**

- 1) Accruals on 31st March 2021 were wages Rs. 8,100 and direct expenses Rs. 6,300
  - 2) The cost of work uncertified included materials Rs. 9,600, wages Rs. 4,800 and direct expenses Rs.3,000
  - 3) Plant of Rs.15,000 and materials of Rs.6,000 were destroyed by fire.
  - 4) Plant costing Rs 21,000 was sold for 18,000 and materials costing 9,000 were sold for Rs.12,000
  - 5) Depreciation till 31st March 2021 on plant was Rs.6,600
  - 6) Materials at site were Rs.15,000
  - 7) Case received from the contracted was Rs.2,88,000 being 80% of work certified.
  - 8) Transfer  $\frac{3}{4}$  profit on cash basis to P & L A/c
- Prepare contract account.

