**2020**

# COST ACCOUNTING-I (Honours)

## Paper : COMMH - DC-2

## (CBCS)

Full Marks : 32 Time : Two Hours

*The figures in the margin indicate full marks.*

Answer the following questions.

1. A factory uses job costing. The following cost data are obtained from its books for the year ended on 31st December 2019 :

   Direct Materials cost — Rs. 1,00,000; Direct Wages — Rs. 80,000; Selling and Distribution overheads — Rs. 33,000; Profit — Rs. 59,400; Factory Overheads — Rs. 40,000; Administration Overheads — Rs. 44,000.

   (a) Prepare a job cost sheet indicating the Prime cost, Works cost, Cost of Production, Cost of Sales and Sales value.

   (b) For the year 2020, the company receives an order for a job. It is estimated that direct materials cost will be Rs. 50,000 and direct wages Rs. 30,000. Ascertain the sale price of the job if the factory intends to earn same rate of profit assuming that factory overhead has gone up by 20% and selling & distribution overhead gone down by 25%. 3+5=8

*Or*

Distinguish the followings with examples :

(i) Direct material and Indirect material

(ii) Fixed cost and Variable cost 4+4=8

2. X Ltd. manufactures a special product "JMD". The following particulars were collected for the year 2020 :

   (i) Monthly demand of 1,000 units

   (ii) Cost of placing an order Rs. 100.

   (iii) Annual carrying cost per unit Rs. 15.

   (iv) Normal usage 50 units per week.

   (v) Minimum usage 25 units per week.

   (vi) Maximum usage 75 units per week.

   (vii) Re-order period 4 to 6 weeks.

   On the basis of above information compute from the followings :

   (a) Re-order Quantity

   (b) Re-order level

   (c) Minimum level

   (d) Maximum level 2×4=8

*Or*

   What do you mean by Economic Order Quantity (EOQ)?

   Define Stores ledger. How does it differ from Bin Card? 3+(2+3)=8

3. From the following particulars, you are required to work out the earnings of a worker for a week under the following alternatives :

   (a) Straight Piece Rate

   (b) Differential Piece Rate

   (c) Halsey Premium Scheme (50% sharing)

   (d) Rowan Premium Scheme 2+2+2+2=8

Time taken – 48 hours per week; Hourly Wage Rate – Rs.7.50; Piece Rate per unit – Rs. 3.00; Normal output per week – 120 pieces; Time allowed per piece – 20 minutes; Actual output for the week – 150 pieces.

Differential piece rate – 80% of piece rate when output is below normal and 120% of piece rate when output is above normal.

*Or*

State the concept of 'Labour Turnover'. How is it measured? How can it be reduced ? 3+3+2=8

4. From the following information compute a comprehensive Machine Hour Rate:

Original cost of the machine Rs. 1,25,000; Customs duty, insurance and freight paid Rs. 15,000; Installation expenses Rs. 16,500; Estimated scrap value after 12 years 10% of the original cost. The machine is expected to operate 8 hours per day of 280 working days in the year out of which 160 hours are required for normal setting and another 80 hours for routine maintenance.

| | Rs. |
|---|---|
| Rent and rates of the shop p.a. | 4,800 |
| General lighting of the shop p.m. | 200 |
| Insurance premium for the machine per quarter | 300 |
| Estimated cost of repairs and maintenance for the entire life of the machine | 6,600 |
| Shop Supervisor's salary p.m. | 1,000 |
| Wages, Workmen's Compensation, Insurance etc. of each of two Two operators (each operator is in full charge of 2 machines) p.a. | 9,600 |
| Power consumption of the machine per hour | 10 units |
| Rate of power per 100 units | Rs. 75 |
| Consumable stores for the shop p.a. | Rs. 1250 |

*Additional information* :

(i) There are four identical machines in the shop

(ii) The Supervisor is expected to devote his time equally to the machines. 8

*Or*

What is meant by absorption of overhead ? Discuss briefly methods for the absorption of factory overheads. 3+5=8