

M.Com.(HPP)(A.A.A) Sem-3 Examination

CC 12

Cost Accounting-I

August 2021

Time : 2-00 Hours]

[Max. Marks : 50

- Instructions: (i) All questions in section – I carry equal marks
(ii) Attempt any **TWO** questions in **Section I**
(iii) Question V in **Section II** is **COMPULSORY**

SECTION : I

- Q-1(A) Discuss the difference between Integrated Accounting and Non-Integrated Accounting 10
(B) Explain the Accounting Standard: Government Grants 10
Q-2 Following balances have been taken from the Cost Ledger of ABC Company Ltd. as on 31st March 2019: 20

Particulars	Debit	Credit
Stores Ledger Control A/c.	68,000	-
Work-in-Progress A/c	52,000	-
Finished Goods Control A/c.	58,000	-
General Ledger Control A/c.	-	1,78,000
	1,78,000	1,78,000

Following were the transactions during the year :

Purchases of stores	Rs. 3,00,000
Stores issued to production	2,80,000
Indirect materials issued to production	6,000
Abnormal wastage of materials	4,000
Direct wages	4,00,000
Indirect wages	30,000
Carriage inward	6,000
Actual factory overheads paid	1,00,000
Factory overheads absorbed by production	1,30,000
Actual office expenses paid	20,000
Office expenses absorbed by finished goods	22,000
Actual sales expenses paid	8,000
Cost transferred to finished goods	7,64,000
Cost of sales	7,74,000
Sales	10,00,000

From the above information, prepare necessary accounts in cost ledger of the company.

Q-3(A) XYZ Ltd has manufactured a machine whose cost is as under:

Direct Materials:	Rs. 60,000
Direct Labour(10,000 hours)	Rs. 40,000
Variable Overheads	Rs. 10,000

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The company has received an order for another 15 machines at Rs. 1,00,000 per machine. Should the company accept the order? Show your calculations and advise. The production is subject to 80% learning curve. 10

Q-3(B) What are the causes of Labour Turnover? Discuss. 10

Q-4(A) A manufacturer produces two products X and Y. The production of X is 15,000 units while the production of B is 21,000 units. The total overheads for the machine activity were Rs. 6,60,000, for the production set ups were Rs. 60,000 and for handling of orders were Rs. 1,35,000. Below is the production information:

Particulars	X	Y
Direct labour hours per unit	3	6
Machine Hours per unit	9	3
Set ups during the year	30	120
Orders handled during the year	45	180

Calculate the production overhead per unit by the ABC Costing approach. 10

Q-4 (B) Write short notes on any 2: 10

- i. New Product Pricing
- ii. Variable Cost Pricing
- iii. Conversion cost method
- iv. Target pricing

Section - B

Q-5. Select the most appropriate answer from the alternatives: (Any ^{Five} ~~one~~) 10

- (1) In Non-integrated Accounting, cash transaction are recorded in :
 - (A) Cash Account
 - (B) General Ledger Adjustment Account
 - (C) Debtors Account
 - (D) None of these
- (2) In ABC Analysis of Inventory 'B' class items require :
 - (A) Tight or Strict Control
 - (B) Moderate Control
 - (C) Loose Control
 - (D) None of the above
- (3) If the overheads absorbed are higher than the actual overheads incurred, the situation is called _____ of overheads.
 - (A) Under absorption
 - (B) Over absorption
 - (C) Allocation
 - (D) None of these
- (4) If the absorption rate is Rs.130 per hour, the production hours are 300 and the under absorption being Rs.3,000 of overheads, then actual overheads would be:
 - (A) Rs.36,000
 - (B) Rs.42,000
 - (C) Rs.39,000
 - (D) None of these
- (5) Where the concept of under and over recovery is applicable?
 - (A) Direct material
 - (B) Direct labour
 - (C) Direct expenses
 - (D) Indirect expenses
- (6) Normal loss of material will be debited to which account?
 - (A) Stores Ledger Account
 - (B) Factory overheads

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- (C) Work-in-Progress Account
(D) P & L Account
- (7) Under non-integrated and integrated system, which account will be credited for payment of direct wages?
(A) Bank and General Ledger Control Account
(B) General Ledger Control Account and Bank Account
(C) Only Bank account
(D) Only General Ledger Control Account
- (8) Which of the following account is irrelevant under non-integrated accounting system in cost book?
(A) Creditors' Account
(B) Debtors' Account
(C) Bank Account
(D) All of the above
- (9) In case of under absorption of overheads,
(A) Costing profit is under stated
(B) Costing profit is over stated
(C) Financial profit is over stated
(D) There is no impact on costing profit
- (10) A cost driver is:
(A) An activity which generates cost
(B) An item of production overheads
(C) At any cost relating to transport
(D) None of these
- (11) Which of the following cost/s is/ are affected by learning curve?
(A) Direct Wages
(B) Cost of production
(C) Variable Overheads
(D) All of the above
- (12) Which of the following factors is a limiting factor in product pricing?
(A) Consumers demand and perception
(B) Government laws
(C) Competitors' reaction
(D) All of the above

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