



WEST BENGAL STATE UNIVERSITY
B.Com. Programme 2nd Semester Examination, 2020

FACGCOR03T-B.COM. (DSC3)

COST AND MANAGEMENT ACCOUNTING

Time Allotted: 2 Hours

Full Marks: 50

*The figures in the margin indicate full marks.
Candidates should answer in their own words and adhere to the word limit as practicable.
All symbols are of usual significance.*

GROUP-A

Answer any two questions from the following

10×2 = 20

1. (a) Briefly explain the objectives of Cost Accounting. 5+5
(b) Distinguish between Cost Accounting and Management Accounting.

2. From the following particulars of ABC Ltd. calculate: 4+2+4

- (a) Economic Order Quantity (EOQ)
(b) Number of order per year
(c) Total Cost of Purchase

Consumption- 100 units per month

Cost per unit- Rs. 20

Ordering cost per order- Rs. 30.

Obsolescence 10% p.a., storage and insurance 5% and interest on capital @ 10%.

3. From the data given below, calculate the comparative works cost for a job in Factory-A and Factory-B: 5+5

| | Factory-A | Factory-B |
|---|---------------|------------------------------|
| Method of payment of wages | Halsey Plan | Rowan Plan |
| Standard time for the job | 250 hrs | 240 hrs |
| Actual time taken by a worker to complete the job | 200 hrs | 200 hrs |
| Hourly Rate of Wages | Rs. 2.50 | Rs. 3.00 |
| Material cost for the job | Rs. 1,000 | Rs. 900 |
| Factory Overhead | 150% of wages | 133 $\frac{1}{3}$ % of wages |

GROUP-B

Answer any *two* questions from the following

15×2 = 30

4. (a) Distinguish between allocation of cost and apportionment of cost. 5+10
- (b) A machine is purchased for Rs. 9,200. Its working life is estimated to be 18000 hours, with scrap value estimated at Rs. 200. It is assumed from past experiences that
- (i) The machine will work for 1800 hours annually
 - (ii) The repair charges will be Rs. 1,080 during its entire life.
 - (iii) The power consumption will be 5 units per hour @ Rs. 6 paise per unit.
 - (iv) Rent of department Rs. 780. (machine occupies $\frac{1}{5}$ th of the total space).
 - (v) Light charges Rs. 288 (12 points in the department, 2 points engaged for the machine).
 - (vi) Foreman's Salary Rs. 6,000 ($\frac{1}{4}$ th of his time is occupied in the machine).
 - (vii) Fire Insurance Premium for machine Rs. 30 per quarter.
 - (viii) Cotton Waste Rs. 60.
- Find out the Machine Hour Rate.

5. (a) Pass necessary journal entries in the cost records for the following transactions: 5+10
- (i) Direct Material amounting to Rs. 42,000 issued for production.
 - (ii) Depreciation on factory equipment Rs. 9,600.
 - (iii) Goods completed and transferred to finished stock Rs. 72,000.
 - (iv) Factory overhead incurred Rs. 15,000 (of which Rs. 3,000 left unpaid)
 - (v) Office Overhead recovered Rs. 16,000.
- (b) During the year 2019 the profit of a company stood at Rs. 36,450 as per Financial Records. The Cash Book, however, showed a profit of Rs. 51,950 for the same period. You are required to prepare profit Reconciliation Statement.
- Opening stock overstated in Cost Accounts Rs. 3,500
 Closing stock understated in Cost Accounts Rs. 4,600
 Factory Overhead under recovered in Cost Accounts Rs. 2,500
 Administrative overhead over-recovered in Cost Accounts Rs. 750
 Selling and Distribution overhead under-recovered in Cost Accounts Rs. 1,650
 Depreciation over recovered in Cost Accounts Rs. 1,500
 Interest on investment not included in Cost Accounts Rs. 5,000
 Obsolescence loss in respect of machineries in Financial Accounts Rs. 2,450
 Income Tax provided in Financial Accounts Rs. 25,000
 Bank interest credited in Financial Accounts Rs. 1,500
 Stores adjustments (debited in Financial Book) Rs. 750

6. A product is produced through two distinct Processes: Process-I and Process-II. On completion, it is transferred to Finished Stock.

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From the following particulars, prepare Process Accounts and Finished Stock Accounts:

| | Process-I | Process-II |
|---|----------------------|------------|
| Units introduced | 10,000 | 9,000 |
| Transferred to next process or Finished Stock | 9,000 | 8,250 |
| Normal loss (on inputs) | 10% | 5% |
| Realisable value of normal loss per unit | Rs. 2 | Rs. 4 |
| Cost incurred: | | |
| Direct Materials | 40,000 | - |
| Direct Labour | 20,000 | 20,000 |
| Direct Expense | 12,000 | 10,050 |
| Production overhead | 10% of Direct Labour | |

Assume that there was no opening and closing stock of raw materials and work in progress.

N.B. : Students have to complete submission of their Answer Scripts through E-mail / Whatsapp to their own respective colleges on the same day / date of examination within 1 hour after end of exam. University / College authorities will not be held responsible for wrong submission (at in proper address). Students are strongly advised not to submit multiple copies of the same answer script.

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