



Institute of Management  
JK Lakshmipat University  
Jaipur  
END TERM EXAMINATION



B.Com(Hons) –Sem II  
MM: 50 Marks

Course: Cost Accounting  
Time: 3 Hours  
Subject code: BCH202

Instructions: Attempt any three questions from Section A. Section B is compulsory.

**Section A (Each question carries 10 mark each)**

Q1. Write short notes on any three-

- FSND Analysis
- Time booking and Time keeping
- Treatment of Idle time and over time
- Classification of overhead

Q2. International motor manufacture crankshafts for jeeps and Trucks, they have furnished the following particulars for the quarter ended march 31, 2010.

Material Rs.2,98,000 ; Direct Wages Rs. 42,000 ; Store expenses Rs. 20,000 ; Machinery Maintenance Rs. 4,600 ; Depreciation Rs. 22,300 ; Staff Wealfare Rs. 12,000 ; General Expenses Rs. 30,000 ; Administration and Sellingexpenses Rs. 27,000.

Additional information provided by them:

|                                 | JEEP | TRUCK |
|---------------------------------|------|-------|
| Production (Nos.)               | 300  | 400   |
| Material Cost ratio per vehicle | 1    | 2     |
| Direct labor ratio              | 2    | 3     |
| Machine hour ratio              | 1    | 2     |

Calculate the cost per crankshaft of each vehicle indicating the basis of apportionment adopted by you. (8 Marks)

Q3. Calculate the earnings of workers A,B and C under the Taylor's Differential piece rate system and Merrick's Multiple piece rate system from the following particulars.

Normal Rate per hour- Rs. 5.40

Standard time per unit – 1 minute

Output per day is as follows-

Worker A- 390 units

Worker B – 450 units

Worker C- 600 units

Working hours per day are 8

**Q4.** A manufacturing Concern purchases from time to time large quantities of a commodity used in the manufacture of one of its products. Following are the details of purchases during the six months ended 31<sup>st</sup> December, 2010.

| 2010         | Quantity | Cost price per 100 |
|--------------|----------|--------------------|
| August 12    | 5,000    | 20                 |
| September 15 | 12,500   | 21                 |
| October 20   | 10,000   | 19                 |
| November 3   | 7,500    | 18                 |
| December 1   | 6,000    | 18                 |
| December 20  | 1,500    | 17                 |

There were 7,500 units in stock at July 1, 2010, which were valued at Rs. 19 per 100.

Quantities were issued from Store during the six months were as under:

| 2010         | Quantity |
|--------------|----------|
| July, 25     | 5,000    |
| August 28    | 4,000    |
| September 29 | 12,500   |
| October 30   | 10,000   |
| November 15  | 9,000    |
| December 29  | 7,500    |

At what prices should the issues be charged and the closing stock valued? Prepare a Stores ledger account under weighted average method illustrating your views.

**Q5.** What will be the earnings of a worker at 55 paise per hour when he takes 140 hours to do a volume of work for which the standard time allowed is 200 hours. The plan of payment of bonus on a sliding scale is as under:

- Within the first 10% saving in standard time, the bonus is 40% of time saved.
- Within the second 10% saving in standard time, the bonus is 50% of the time saved.
- Within the third 10% saving in standard time, the bonus is 60% of the time saved.
- Within the fourth 10% saving in standard time, the bonus is 70% of the time saved.
- For the rest the bonus is 75% of the time saved.

### Section B

#### Q6 A. 8 Marks

From the following particulars, find the amount of cash required for payment of wages in a factory for a particular month.

- Wages for normal hours worked Rs. 20,500.
- Wages for over time Rs. 2200.
- Leave Wages Rs. 1700
- Deduction of employee's share of State Insurance Corporation Rs.500
- Employee's contribution to Provident Fund Rs.1600
- House rent is to be recovered from 30 employees at the rate of Rs. 10 per month

Q6(B)

PH Ltd is a manufacturing company having three production departments, A, B, C and two service departments, X and Y. The following is the budget for March, 2016.

|                         | Production Departments |       |       | Service Departments |       |
|-------------------------|------------------------|-------|-------|---------------------|-------|
|                         | A                      | B     | C     | x                   | y     |
| Direct Material         | 1,000                  | 2,000 | 4,000 | 2,000               | 1,000 |
| Direct Wages            | 5,000                  | 2,000 | 8,000 | 1,000               | 2,000 |
| Rent- 4,000             |                        |       |       |                     |       |
| Power- 2,500            |                        |       |       |                     |       |
| Depreciation – 1,000    |                        |       |       |                     |       |
| Other overheads – 9,000 |                        |       |       |                     |       |
| Additional Information: |                        |       |       |                     |       |
| Area ( Sq.ft)           | 500                    | 250   | 500   | 250                 | 500   |
| Capital Value           | 20                     | 40    | 20    | 10                  | 10    |
| Machine Hours           | 1,000                  | 2,000 | 4,000 | 1,000               | 1,000 |
| H.P of Machines         | 50                     | 40    | 20    | 15                  | 25    |

A technical assessment for the apportionment of expenses of service department is as under:

| Total          | A   | B   | C   | X  | Y   |
|----------------|-----|-----|-----|----|-----|
| Service Dept X | 45% | 15% | 30% | -  | 10% |
| Service Dept Y | 60% | 35% | -   | 5% | -   |

You are required to show:-

- A statement showing distribution of overheads to various departments.
- A Statement showing distribution of service department expenses to the production departments under simultaneous equation method.
- Machine hour rates of the production departments: A, B, and C. (12 Marks)

