



WEST BENGAL STATE UNIVERSITY
B.Com. Honours Part-I Examination, 2020

COST AND MANAGEMENT ACCOUNTING

PAPER-CMAA-I

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.*

GROUP-A

Answer any one question

2×1 = 2

1. Mention two objectives of Cost Accounting.
2. What do you mean by cost reduction and cost control?

GROUP-B

Answer any three questions

16×3 = 48

3. The following figures are available in respect of a manufacturing unit for the month of April, 2020:

Particulars	Amount (1.4.2019)	Amount (31.3.2020)
Stock of raw materials	Rs.1,20,000	Rs.1,25,000
W.I.P	Rs.1,25,000	Rs.1,35,000
Finished goods	Rs.60,000 (4,000 units)	? (5,000 units)
Purchase of raw materials		Rs.1,80,000
Machine hour rate		Rs.16 per hour
Machine hour worked		2,500 hours
Productive labour hour		Rs.1,55,000
Chargeable expenses		Rs.40,000
General office overhead		Rs.2.40 per unit
Selling and distribution overhead		Rs.1.50 per unit
Sales (24000 units)		Rs.25 per unit

- (a) Prepare the Cost sheet for the month of April, 2020, assuming that sales are made on the basis of FIFO and LIFO basis. 14
- (b) What would be the difference in profit under the above two methods? 2

4. (a) The annual demand of a product is 6,400 units. Unit cost of the product is Rs. 6 and inventory carrying cost is 25% of inventory cost per unit per annum. Cost of placing an order is Rs. 75. Lead time 7 days. Safety stock is 20 units. Determine: (i) Economic order quantity. (ii) Number of order per annum. (iii) Reorder level. (iv) Total cost of inventory. 10
- (b) Write short notes on: (i) ABC analysis (ii) Bill of materials. 3×2 = 6
5. (a) What are the differences between time keeping and time booking? 6
- (b) A worker is allowed 10 hours to complete a job on daily wages. He takes 6 hours to complete under a scheme of payment of result. His daily rate is Rs. 6 per hour and piece rate is Rs. 36. The material cost of product is Rs. 40 and the overhead is charged @ of 150% of the total direct wages. Calculate the factory cost of the product under Piece work plan, Halsey plan and Rowan plan. 10
6. A Ltd. has three production departments P, Q and R and two service departments X and Y. The following are obtain for a particular period. 12+4

Rent and Rates	Rs. 50,000
General Lighting	Rs. 6,000
Indirect Wages	Rs. 15,000
Power	Rs. 15,000
Depreciation on Machinery	Rs. 50,000
Sundries	Rs. 50,000

Other Information:

Particulars	P	Q	R	X	Y
Direct Wages in Rs.	15,000	10,000	15,000	7,500	2,500
H P of Machine used	60	30	50	10	-
Cost of Machinery in Rs.	3,00,000	4,00,000	5,00,000	25,000	25,000
Floor Space (sq.ft)	2,000	2,500	3,000	2,000	500
No. of Light Points	10	15	20	10	5
Production hours worked	6,226	4,028	4,066	-	-

Expenses of service departments X and Y are appropriated below:

	P	Q	R	X	Y
X	20%	30%	40%	--	10%
Y	40%	20%	30%	10%	--

You are required to calculate: (i) Overhead recovery rate of each production department. (ii) Total cost of a product which requires 4 hrs, 5 hrs and 3 hrs in the departments of P, Q and R respectively. Material cost is Rs. 250 and Wages is Rs. 150.

7. A firm of building contractors undertook a contract for Rs. 3,00,000. The following particulars are furnished for the year ended 31st December, 2019:

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Particulars	Amount
Purchase of materials	40,000
Materials issued from stores	20,000
Direct wages paid	30,000
Wages outstanding	2,000
Depreciation on plant	10,000
Direct expenses	2,500
Sub-contract charges	6,000
Share of general office expenses	2,000
Materials lost in fire	1,000
Materials in hand on 31 st December, 2019	1,000
Cash received (80% of work certified)	1,60,000
Cost of uncertified work	50,000

Prepare Contract Account, Work-in-Progress Account and show how the various items would appear in the Balance Sheet.

8. KS Ltd. furnished the following information:

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Particulars	2018-19 (Rs.)	2019-20 (Rs.)
Sales (Rs.10 per unit)	2,00,000	2,50,000
Profit	30,000	50,000

You are required to compute:

- P/V ratio.
- Break-even point.
- Total variable costs of 2018-19 and 2019-20.
- Sales required to earn a profit of Rs.60,000.
- Profit/loss when sales are Rs.1,00,000.
- Margin of safety when profit is Rs.80,000.
- During 2020-21, due to increase in cost, variable cost is expected to rise to Rs.7 per unit and fixed cost to Rs.55,000. If selling price cannot be increased, what will be the amount of sales to maintain the profit of 2019-20.

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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