



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.

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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