Program: S.Y.B.Com (MS) Semester: III Program Code: UGMS02

Course: Introduction to Cost Accounting Course Code: NUMS303

Duration: 2 Hour Examination Pattern: NEP-Autonomous Max. Marks: 60

Instructions:

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Draw neat diagrams wherever necessary.
4. CO (Course Outcome), KL (Knowledge Level).

Examination:

REGULAR

Q. 1	(a)	Fill in the blanks with an appropriate answer from the alternatives given.				[08]	CO's	KL's
		I	Prime Cost is equal to: _____				CO1, CO2, CO3, CO4,	L1
			a.	Direct Material + Direct Labour + Direct Expenses	b.	Direct Material + Factory Overheads		
			c.	Prime Cost + Office Expenses	d.	Total Cost – Profit		
		II	Factory Cost is calculated as: _____					
			a.	Prime Cost + Factory Overheads	b.	Prime Cost + Selling Expenses		
			c.	Cost of Sales + Profit	d.	Direct Material + Profit		
		III	Which of the following is a direct cost? _____					
			a.	Factory rent	b.	Direct wages		
			c.	Office salary	d.	Selling expenses		
		IV	What is the main objective of labour cost control? _____					
			a.	To increase labour cost	b.	To reduce unnecessary labour expenses		
			c.	To increase raw material cost	d.	To reduce sales		
		V	Labour cost is mainly incurred for: _____					
			a.	Purchase of machinery	b.	Payment of wages and salaries		
			c.	Purchase of raw materials	d.	Payment of rent		
		VI	Overheads are costs that: _____					
			a.	Can be directly identified with a specific product	b.	Cannot be directly identified with a specific product		
			c.	Include only direct materials	d.	Include only direct labour		

	VII	**One important objective of overhead allocation is to: _____**						
		a.	Distribute overheads among cost centres fairly	b.	Increase total expenses			
		c.	Reduce production	d.	Increase labour turnover			
	VIII	**Process costing is mainly used in industries where: _____**						
		a.	Products are individually customised	b.	Production is continuous and products are uniform			
		c.	Only one product is produced	d.	Production is done only once			
	(b)	**State whether the following statements are true or false.**				**[07]**		
		I	A cost sheet is prepared to ascertain the total cost of production.				CO1, CO2, CO3, CO4	L1
		II	Factory overheads are included in the prime cost.					
		III	Labour cost is classified into direct labour and indirect labour.					
		IV	Wages paid to workers directly involved in production are generally treated as direct labour cost.					
		V	Factory rent is generally treated as a production overhead.					
		VI	Office salaries are normally classified as factory overheads.					
		VII	Normal loss is an unavoidable loss expected under normal production conditions.					
Q. 2	(a)	Following details are furnished by BA Ltd. of expenses incurred during the year ended 31st March, 2024.				**[15]**	CO1	L3

Particulars	Amount
Direct Material	3,40,000
Opening Stock of Finished Goods (1,000 units)	85,250
Closing Stock of Finished Goods (2,000 units)	?
Depreciation on Plant and Machinery	96,000
Loss on Sale of Machinery	17,500
Demonstration Expenses	85,500
Direct Expenses	1,60,000
General Manager's Salary	3,80,000
Dividend Paid	7,800
Direct Wages	2,60,000
Advertisement	1,85,250
Depreciation on Computers	1,72,000
Factory Insurance	54,000

		Purchase of Machinery 1,90,000 Depreciation on Delivery Van 1,14,000 Office Maintenance Charges 1,88,000 Factory Rent 1,50,000 Sales (19,000 Units) 22,80,000 Closing Stock of Finished Goods to be valued at Cost of Production. You are required to prepare Cost Sheet showing various elements of cost both in total and per unit and also find out Total Profit and Per Unit Profit.			
		OR			
	(b)	The following are the details as regards a worker who worked for Job no. 001 and 002 Job no. / Time Allowed / Time Taken 001 / 26 Hours / 20 Hours 002 / 30 Hours / 20 Hours His normal basic rate of wages was ₹ 80 per day of 8 hours and his dearness allowance was ₹ 240 per week of 48 hours. Calculate the amount payable to him 1. On Time Basis 2. On Halsey Plan Basis (Bonus at 50% of Time saved) and 3. On Rowan Plan Basis	**[15]**	**CO2**	**L3**
Q. 3	**(a)**	In an engineering factory, the following particulars have been extracted for the year ended 31-12-2025.	**[15]**	**CO3**	**L3**

Particulars	**Production Departments**			**Service Departments**	
	A	**B**	**C**	**X**	**Y**
Direct Wages (₹)	30000	45000	60000	15000	30000
Direct Materials (₹)	15000	30000	30000	22500	22500
Staff Number	1500	2250	2250	750	750
Electricity (kwh)	6000	4500	3000	1500	1500
Asset Value (₹)	60000	40000	30000	10000	10000
Light Prints	10	15	4	6	4
Area (square meters)	150	250	50	50	50

The expenses for the period were as follows:

Particulars	₹	Particulars	₹
Power	1100	Depreciation	30000
Lighting	200	Repairs	6000
Stores Overhead	800	General Overheads	12000
Welfare to Staff	3000	Rent and Taxes	550

Apportion the expenses of service department Y according to direct wages and those of service department X in the ratio 5:3:2 to the production departments.

You are required to prepare an Overhead Distribution Summary.

OR

(b) M/s. XYZ and Company manufacture a chemical which passes through three processes. The following particulars gathered for the month of January, 2025 : **[15]** **CO4** **L3**

Particulars	Process I	Process II	Process III
Materials (litre)	400	208	168
Materials Cost (₹)	38,400	18,800	6,000
Wages (₹)	7,680	7,600	2,200
Normal Loss (% of input)	4%	5%	5%
Scrap Sale Value (₹)	-	₹ 3 per litre	-
Output transferred to next process	50%	40%	-
Output transferred to Warehouse	50%	60%	100%

Overheads are charged @ 50% of Direct Wages. You are required to prepare Process Accounts.

Q. 4 **(a)** The following particulars have been extracted from the books of M/s. S Manufacturing Company for the year ended 31-03-2024. **[15]** **CO1** **L3**

Particulars	Rs.
Opening stock of Raw Materials	4,70,000
Closing stock of Raw Materials	5,00,000
Raw Materials Purchase	20,80,000

		Factory Insurance	96,000			
		Royalty on production	1,40,000			
		Carriage Inwards	82,000			
		Cash Discount Allowed	34,000			
		Repairs to plant & Machinery	1,06,000			
		Rent, Rates & Taxes (Factory)	30,000			
		Rent, Rates & Taxes (Office)	16,000			
		Office Conveyance	31,000			
		Salesmen's salaries and Commission	84,000			
		Direct wages	14,00,000			
		Depreciation on plant & machinery	71,000			
		Depreciation on Office Furniture	6,000			
		Directors sitting Fees	60,000			
		Gas and Water Charges (Factory)	15,000			
		Gas and Water Charges (Office)	3,000			
		Manager's Salary	1,20,000			
		Advertisement	20,000			
		Loose Tools Written Off	16,000			
		Trade-Fair Expenses	20,000			
		Out of 48 hours in a week, manager devotes 40 hours for factory and 8 hours for office per week for the whole year. The management has fixed the selling Price @ 110% of cost. Prepare detailed cost statement for the year ended 31-3-2024.				
		OR				
	(b)	**Short Notes (answer any 3)**	**[15]**			
	1.	Types of Overheads		**CO1, CO2, CO3, CO4**	**L1, L2**	
	2.	Cost Sheet				
	3.	Normal Loss and Abnormal Loss				
	4.	Labour Turnover Ratio				
	5.	Cost of Sales				

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