DCT'S S. S. DEMPO COLLEGE OF COMMERCE & ECONOMICS,
CUJIRA – SANTA CRUZ.
F. Y. B. COM SEMESTER II EXAMINATION, APRIL 2017
FOUNDATION COURSE - COST ACCOUNTING – II

Duration: 2 Hours **Max Marks: 80**

Instructions: 1] Question No. 1 is compulsory.

2] Attempt any **THREE** from the remaining (Q. No. 2 to Q. No. 6)

Q. 1] Infrotech Ltd has three production departments A, B & C and two service departments X & Y. The following details are available;

Particulars	**A**	**B**	**C**	**X**	**Y**
Electricity (K.Watts)	7,500	5,000	5,000	2,500	2,500
Direct material	60,000	40,000	20,000	10,000	5,000
No. of light points	10	16	4	6	4
Direct wages	40,000	15,000	15,000	10,000	5,000
No. of employees	200	150	150	50	50
Area occupied (sq ft)	140	120	110	90	40
Value of machinery	2,70,000	1,80,000	1,35,000	45,000	45,000

Following overhead expenses were incurred;
Repair of machinery – 15,000/-
Rent – 25,000/-
Supervision – 6,000/-
Contribution to provident fund – 8,500/-
Lighting – 3,500/-
Stores expenses – 7,600/-
Staff expenses – 6,800/-
Motor power – 1,200/-
Labour welfare – 4,000/-
General overheads – 9,600/-

The expenses of the service departments are to be allocated on the basis of Repeated Distribution Method.

Particulars	**A**	**B**	**C**	**X**	**Y**
X (%)	20	30	40	-	10
Y (%)	40	20	30	10	-

Also calculate the overhead rate per hour. Working hours of Dept A – 5,600 hrs, Dept B – 4,200 hrs & Dept C – 3,000 hrs. **[20 marks]**

Q. 2] From the following particulars calculate the earnings of the workers A, B, C & D under: (1) Straight Piece Rate, (2) Taylor's Differential Piece Rate Plan & (3) Merrick's Differential Piece Rate Plan.
Standard time per unit – 30 seconds
Rate per hour - ₹ 10/-
Differentials to be applied under Taylor's are – 80% of normal piece rate when below standard & 120% of normal piece rate when above standard
Differentials to be applied under Merrick's are – for efficiency less than 83.33 % - normal piece rate, 83.33% - 100% - 110% of normal piece rate & above 100% - 120% of normal piece rate.
In a day of 8 hours, A produces 956 units, B produces 650 units, C produces 1,105 units & D produces 1,205 units. **[20 marks]**

Q. 3] From the following information calculate the earnings of the workers under Halsey's Premium Bonus Plan & Rowan's Premium Bonus Plan.

Particulars	Worker A	Worker B	Worker C	Worker D
Time allowed (hours per 100 units)	70 hrs	80 hrs	96 hrs	84 hrs
Wages per unit (₹)	3	4	5	6
Rate per hour (₹)	8	9	10	12
Actual time taken	100 hrs	100 hrs	105 hrs	90 hrs
Actual units produced	200 units	150 units	125 units	135 units

[20 marks]

Q. 4] The following data has been extracted from the books of MK Enterprises for the year 2016.

Particulars	Amount (₹)	Particulars	Amount (₹)
Opening stock of raw materials	50,000	Depreciation of plant & machinery	2,000
Purchases of raw materials	1,70,000	Depreciation of office furniture	300
Closing stock of raw materials	80,000	Office salary	6,000
Direct wages	1,50,000	Salesman's salary	3,000
Carriage inward	10,000	Opening stock of finished goods	35,600
Indirect wages	20,000	Closing stock of finished goods	18,200
Other direct charges	30,000	Other factory expenses	8,300
Rent & rates of factory	8,000	Other office expenses	1,600
Rent & rates of office	700	Other selling expenses	1,800
Opening stock of WIP	45,000	Managing directors remuneration	15,000
Closing stock of WIP	30,000	Carriage outward	1,200
Indirect consumption of material	600	Sales	5,00,000
Travelling expenses of salesman	2,200	Advertisement	3,600

The managing directors remuneration is to be allocated ₹ 5,000/- to the factory, ₹ 3,000/- to the office & ₹ 7,000/- to the selling department.

From the above information prepare a cost sheet. **[20 marks]**

Q. 5] Calculate the machine hour rate from the following information:

Particulars	
Cost of machine	₹ 3,00,000
Installation charges	₹ 20,000
Scrap value after 25 years of estimated life	₹ 5,000
Rent per month	₹ 500
Lighting per month	₹ 600
Insurance premium per month	₹ 200
Repairs per annum	₹ 2,200
Power consumption	25 units per hour
Rate of power per 100 units	₹ 30
Estimated working hours per annum (including setting up time of 200 hours)	2,500 hrs
Supervisors salary per annum	₹ 9,000

The machine occupies 1/3rd of the total area & the supervisor devotes 2/5th of his time for supervising the machine. 33% of lighting charges are for machine. **[20 marks]**

Q. 6] Write short notes on any **FOUR** of the following; **[20 marks]**

a) Time keeping
b) Labour turnover
c) Fringe benefits
d) Apportionment
e) Absorption

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