

BCOM SEMESTER-III

COST ACCOUNTING PRACTICE PAPER

Time: Three Hours

Maximum Marks: 75

Note: Answer five questions in all. Question 1 is compulsory. Attempt one question from each unit.

Ques. 1: Explain each of the following: (3 X 5=15)

- a) Abnormal Gain
- b) Cost Control
- c) Cost Centre
- d) Transport Operating Costing
- e) Cost Unit

UNIT-I

Ques. 2: What do you mean by Cost Accounting? What are the different elements of Cost? (15)

Ques. 3: Explain the following: (10+5=15)

- a) Cost Accounting vs Financial Accounting
- b) Characteristics of an Ideal System of Cost Accounting

UNIT-II

Ques. 4: Jai owns a fleet of taxis and the following information is available from the records maintained by him: **(15)**

PARTICULARS	AMOUNT/ UNITS
Number of taxis	10 taxis
Cost of each taxi	Rs. 20,000
Salary of manager	Rs. 600 p.m
Salary of Accountants	Rs. 500 p.m
Salary of cleaner	Rs. 200 p.m
Salary of mechanic	Rs. 400 p.m
Garage rent	Rs. 600 p.m
Insurance premium	Rs. 5% p.m
Annual Tax	Rs. 600 per taxi
Driver's salary	Rs. 200 p.m per taxi
Annual Repair	Rs. 1000 per taxi

Total life of taxi is about 2,00,000 km. A taxi runs in all 3,000 km. in a month of which 30% runs empty. Petrol consumption is one litre for 10 km. @ Rs. 1.80 per litre. Oil and other sundries are Rs. 5 per 100 km.

Calculate the cost of running a taxi per kilometer.

Ques.5: A manufacturer of scooter finds that in 2007-08 it will cost him Rs. 7,20,060 to manufacture 175 scooters which he sold at Rs. 5,400 each. The cost was made up of: **(15)**

Materials	2,82,000
Direct Wages	3,24,000
Factory Overhead Expenses	48,600
Establishment and General Expenses	65,460
Total	7,20,060

For 2008-09 period he estimates:

- a) That each scooter will require materials to the value of Rs. 1,600 and an expenditure in wages of Rs. 1800;
- b) That the factory overhead expenses will bear the same relation to direct wages as in the previous year;
- c) That the percentage of establishment and general expenses on factory cost will be the same as in previous year.

Prepare a statement showing the profit he should make per unit if he reduces the price of the scooter by Rs.200.

UNIT-III

Ques. 6: What do you mean by Transport Operating Costing?
 What are the steps involved in the calculation of Total Cost of transport undertakings? **(10+5=15)**

Ques. 7: Calculate the Machine Hour Rate from the following particulars: **(15)**

Cost of Machine	Rs. 11,500
Life of Machine	20,000 hours
Estimated Scrap Value	Rs. 1,500
Rent of Factory (25% place is occupied by the machine)	Rs. 400 p.m
Salary of Foreman	Rs. 100 p.m
Salary of Helper	Rs. 50 p.m
Lighting Expenses (Total point is 16 but 4 point is occupied by this machine)	Rs. 80 p.m
Power Expenses	Rs. 160 p.m
Indirect Labor	Rs. 50 p.m
Repairs and Maintenance	Rs. 40 p.m
Total Working Hours for one month	160 hours

UNIT-IV

Ques. 8:

(5+10=15)

- a) What is the meaning of Reconciliation? What are the reasons due to which Reconciliation is used?
- b) Prepare Reconciliation Statement from the following data:

Net loss as per Cost Accounts	Rs. 3,44,800
Net loss as per Financial Accounts	Rs. 4,32,090
Works Overhead under-recorded in Cost Accounts	Rs. 6,240
Depreciation over-charged in Cost Accounts	Rs. 2,600
Administrative overhead recovered in excess in Cost Accounts	Rs. 3,400
Interest on Investments	Rs. 17,500
Goodwill written off in Financial Books	Rs. 11,400
Income tax paid	Rs. 80,600
Stores adjustment (Credit in Financial Books)	Rs. 950
Depreciation in value of stock charged in Financial Books	Rs. 13,500

Ques. 9:

(5+10=15)

- a) What do you mean by Cost Reduction? Describe its scope and merits.

b) What do you understand by cost control? What are the elements of Cost Control Scheme? Discuss its techniques and essentials for success?

Dr. Vishal Saxena