

**PARUL UNIVERSITY**  
**FACULTY OF COMMERCE**  
**B.Com.(Hons) Summer 2022 – 23 Examination**

**Semester: 4****Subject Code: 16100252****Subject Name: Cost Accounting-II****Date: 15-03-2023****Time: 10:30am to 01:00pm****Total Marks: 60****Instructions:**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

**Q.1 Do as directed.****A) Multiple choice type questions. (Each of one mark)****(06)**

1. Warehouse rent is a part of \_\_\_\_\_
 

a) Factory Cost	b) Prime Cost
c) Production Cost	d) Distribution Cost
2. Labour cost is second element of \_\_\_\_\_
 

a) Sales	b) Cost
c) Task	d) Profit
3. Basic objective of cost accounting is
 

a) Cost Ascertainment	b) Tax compliances
c) Financial Audit	d) Profit Analysis
4. Cost accounting includes all of the following except
 

a) Profit sharing	b) controlling
c) Product costing	d) Planning
5. PP Ltd. requires 9600 units of a certain material annually. This material is purchased from X Ltd., at Rs .50 Per unit. The cost of placing an order Rs 60 and the annual carrying cost is Rs.5 per unit. Find out EOQ
 

a)Rs.480	b)840 units
c)480 units	d)Rs.840
6. The summation of direct Material, direct Labour,& direct expenses is known as
 

a)Direct Cost	b)Fixed cost
c)overheads	d)Factory cost

**B) True & False****(06)**

1. Work certified is shown in contract account at cost.
2. Most of the costs in a contract are direct cost.
3. Job costing can be used only in small companies.
4. A job is a big contract and a contract is a small job.
5. In Job costing, cost of each job is separately ascertained.
6. Abnormal gain appears on the credit side of the process account.

**Q.2 Short Note Questions. (Each of 04 mark)****(12)**

1. Define the meaning of Cost with explanation.
2. Describe the comparison of process costing and job costing.
3. Ronak & Siddhi Contractors have to supply 10,000 paper cones per day to a textile mill. They find that when they start a production run, they can produce 25,000 Paper cones per day. The cost of holding a paper cone in stock for 1 year is 2 Paisa & the setting-up cost of a production run is Rs18. How Frequently should production runs be made?

**Q.3 Answer the following. (Any Three)****(18)**

1. Discuss the meaning & needs of Reconciliation.
2. Fifty units are introduced into a process at a cost of rupee one each. The total additional expenditure incurred by the process is Rs 30. Of the units introduced, 10% are normally spoiled in the course of manufacture; these possess a scrap value of Rs. 0.25 each. Owing to an accident, only 40 units are produced.  
You are required to Prepare (1) Process account (2) Abnormal loss Account.
3. Explain the procedure of Contract Costing with its features.

4. Following data have been collected from the books of Coke Co. Ltd.

Joints products	Yield (in lbs) of recovered products per tonne of coal
Coke	1420
Coal Tar	120
Benzol	22
Sulphate of Ammonia	26
Gas	412
	2,000

The price of Coal is Rs. 80 per tonne. The direct labour and overhead costs to the point of split-off are Rs. 40 and Rs. 60, respectively, per tonne of coal.

Calculate the material, labour and total cost of each products on the basis of weight.

**Q.4 Answer the following. (Any two)**

(18)

- Mr. Roshan Singh Sodhi has started transport business with a fleet of 10 taxis. The various expenses incurred by him are given below:
  - Cost of each Taxi Rs.75,000.
  - Salary of Office staff Rs.1,500. p.m.
  - Salary of garage staff Rs.2,000. p.m.
  - Rent of garage Rs.1,000. p.m.
  - Drivers salary (per taxi) Rs.400. p.m.
  - Road Tax and Repairs per taxi Rs.2,160. p.a.
  - Insurance premium @ 4% of cost p.a.

The life of a taxi is Rs.3,00,000 km. and at the end of which it is estimated to be sold at Rs.15,000. A taxi runs on an average 4,000 km. per litre of petrol costing Rs.6.30 per litre. Oil and other sundry expenses amount to Rs.10 per 100 km. Calculate the effective cost of running a taxi per kilometer. If the hire charge is Rs.1.80 per kilometer, find out the profit Roshan Singh Sodhi may expect to make in the first year of operation.

- Explain the meaning and distinctive features of Integrated accounts with its advantages and disadvantages.
- In an oil mill four products emerge from a refining process. The total cost of input during the quarter ending March is Rs. 1,48,000/- The output, sale and additional processing cost are as under:

Products	Output in Litres	Additional Processing Cost after split-off points	Total value
A	8000	43000	172500
B	4000	9000	15000
C	2000	---	6000
D	4000	1500	45000

In case these products were disposed of at the split-off point, that is before further processing, the selling price would have been:

A Rs. 15	B Rs. 06	C Rs. 03	D Rs. 7.50
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Prepare a statement of profitability based on:

- If the products are sold after further processing.
- If they are sold at the split-off point.

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