Seat No:______________ Enrollment No:______________

PARUL UNIVERSITY

FACULTY OF COMMERCE

B.Com. (Hons.) Summer 2017 – 18 Examination

Semester: 4 **Date: 10/05/2018**
Subject Code: 16100252 **Time: 10:30 am to 1:00 pm**
Subject Name: Cost Accounting - II **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) Choose the correct option. (Each of one mark) **(06)**

1. Describe the method of costing to be applied in case of Nursing Home:
   a) Operating Costing b) Process Costing
   c) Contract Costing d) Job Costing
2. Describe the cost unit applicable to the Bicycle industry:
   a) per part of bicycle b) per bicycle
   c) per tonne d) per day
3. A profit centre is a centre
   a) Where the manager has the responsibility of generating and maximising profits
   b) Which is concerned with earning an adequate Return on Investment
   c) Both of the above
   d) Which manages cost
4. Which of these is not an objective of Cost Accounting?
   a) Ascertainment of Cost b) Determination of Selling Price
   c) Cost Control and Cost reduction d) Assisting Shareholders in decision making
5. Which one out of the following is not an inventory valuation method?
   a) FIFO b) LIFO
   c) Weighted Average d) EOQ
6. In process costing, a joint product is
   a) a product which is later divided into many parts
   b) a product which is produced simultaneously with other products and is of similar value to at least one of the other products.
   c) A product which is produced simultaneously with other products but which is of a greater value than any of the other products.
   d) a product produced jointly with another organization

B) Define below Terms. (Each of one mark) **(06)**

1. Job Costing
2. Batch Costing
3. Process Costing
4. Joint Product
5. By Product
6. Operating Costing

Q.2 Answer the following questions. (Each of 04 mark) **(12)**

1. Explain Joint product with its characteristics.
2. A contractor has to supply 10000 paper cones per day to a textile mill. He finds that when he starts a production run, he can produce 25,000 paper cones per day. The cost of holding a paper cone in stock for one year is 2 paise and the setting up cost of a production run is Rs. 18, find EBQ and how frequently should production runs be made?
3. Distinction between Contract and Job Costing – Elaborate.

Q.3 Answer the following question. (Any Three) (each of six marks) **(18)**

1. A truck starts with a load of 10 tonnes of goods from station A. It unloads 4 tonnes at station B and rest of the goods at station C. It reaches back directly to the station A after getting reloaded with 8 tonnes of goods at station C. The distances between A to B, B to C and then from C to A are 40 kms, 60 kms and 80 kms respectively. Compute absolure tonne-kms and commercial tonne-kms.

2. From the following figures, prepare a reconciliation statement:

Particulars	Rs.
1. Net profit as per financial books	63,780
2. Net profit as per costing books	66,760
3. Factory overheads under recovered in costing	5,700
4. Admin overheads recovered in excess	4,250
5. Depreciation overcharged in cost books	290
6. Interest received but not included in costing	600
7. Bank interest credited in financial books	230
8. Store adjustment (credited in financial books)	420
9. Depreciation of stock charged in financial accounts	860
10. Dividends appropriate in financial accounts	1,200
11. Loss due to theft and pilferage provided only in financial books	260

3. How will you describe Integrated Accounts and its advantages?

4. Describe Job and batch costing in detail with proper example.

Q.4 Answer the following. (Any two) (Each of Nine Marks) **(18)**

1. The quantity of raw material introduced into process I is 20,000 kgs at Rs. 10 per kg. the cost and output data for the month under review are as under

Particulars	Process I (Rs.)	Process II (Rs.)
Direct materials	60,000	40,000
Direct labour	40,000	30,000
Production overheads	39,000	40,250
Normal loss	8%	5%
Output	18,000	17,400
Loss realization of Rs./Unit	2	3

The company's policy is to fix the selling price of the end product in such a way as to yield a profit of 20% on selling price.

(i) Prepare process account

(ii) Determine the selling price per unit of the end product.

2. Elaborate normal and abnormal losses in process costing, write in detail with its treatment.

3. Elaborate any three principal accounts for Non – Integrated Accounts, give example wherever necessary.