

PARUL UNIVERSITY
FACULTY OF COMMERCE
B.Com.(Hons) Winter 2017 – 18 Examination

Semester: 3

Date: 06:12:2017

Subject Code: 16100202

Time: 10.30am to 01.00 pm

Subject Name: Cost Accounting – I

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. The difference between actual book balance of inventory and physical balance of inventory arise due to _____.

- | | |
|--------------------|---------------------|
| a) Clerical errors | b) Under Issue |
| c) Over Issue | d) All of the above |

2. Differential piece rate system provides for higher wages to efficient workers.

- | | |
|---------|----------|
| a) True | b) False |
|---------|----------|

3. Time wages are guaranteed in _____ plan.

- | | |
|--------------|-------------|
| a) Taylor's | b) Halsey's |
| c) Merrick's | d) Gantt's |

4. Salary paid to factory supervisor is indirect wages.

- | | |
|---------|----------|
| a) True | b) False |
|---------|----------|

5. Aggregate of all direct costs is known as _____.

- | | |
|---------------|------------------|
| a) Fixed Cost | b) Prime Cost |
| c) Total Cost | d) variable cost |

6. Fixed cost per unit _____ with increase in the size of output.

- | | |
|--------------|--------------|
| a) Decreases | b) Increases |
| c) Both | d) None |

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

- 1 Costing
- 2 Cost Center
- 3 Overheads
- 4 Marginal Cost
- 5 Opportunity Cost
- 6 Labour Turnover

Q.2 Answer the Following. (Each of 04 mark) (12)

- 1 What is Cost Accounting? Explain its function in brief.
- 2 Elaborate different techniques of Cost Accounting in brief.
- 3 Find Labour Turnover according to Separation Method, Replacement method, Flux method, with the help of below data.

No. of workers on the payroll:

At beginning of period	7,600
At ending of period	8,400
Workers Left during year	80
Workers Discharged	320
Total Workers Recruited	1,500
Workers recruited because of exits	300

Rests of the total workers were recruited in accordance with expansion plans.

Q.3 Answer the following. (Any Three) (Each of 06 mark)**(18)**

- 1 A detailed and reliable check on stores is obtained in perpetual inventory system: Present your view.
- 2 Explain the concept of Profit-sharing and labour co-partnership with its advantages and disadvantages.
- 3 Calculate incentive and bonus as per Rowan's Plan and Halsey's Premium Plan, with the help of the data given below.
Standard time = 100 hours, Wage rate per hour = Rs. 3, Actual time taken = 80 hours.
- 4 Mr. X furnishes the following data relating to the manufacture of a standard product during the month of April 2017:

Raw material consumed	Rs. 15000
Direct labour charges	Rs. 9000
Machine hours worked	900 hours
Machine hour rate	Rs. 5 per hour
Administration overheads	20% on works cost
Selling overheads	Rs. 0.50 per unit
Unit produced	17100 Units
Unit sold	16000 at Rs. 4 per unit

You are required to prepare a cost sheet from the above showing

- (a) The cost per unit,
- (b) Cost per unit sold and profit for the period.

Q.4 Answer the following. (Any two)**(18)**

- 1 Prepare a store ledger account using FIFO method.

Date (Nov '17)	Particulars	Units at Price
1	Opening stock	200 kgs @ Rs. 7.50 per kg
5	Received	400 kgs @ Rs. 7.75 per kg
8	Issue	240 kgs
10	Issue	160 kgs
12	Received	400 kgs @ Rs. 7.75 per kg
15	Issue	400 kgs
16	Received	400 kgs @ Rs. 7.75 per kg
19	Received	400 kgs @ Rs. 7.75 per kg
21	Issue	350 kgs
24	Issue	260 kgs
27	Issue	340 kgs

- 2 Explain Always Better Control technique of inventory control.
- 3 Classify the overhead costs on basis of functions and explain it in brief.