

TILAK MAHARASHTRA VIDYAPEETH
BACHELOR OF COMMERCE (B.COM.)
EXAMINATION- MAY 2022
THIRD/FIFTH SEMESTER

Sub.: Cost and Work Accounting - II (BCOM19-303C / BCWA-502)

Date: 25 /05/2022

Total Marks: 60

Time: 2.00 pm to 4.30 pm

Instructions: 1) All questions are compulsory. 2) Figures to the right indicate full marks.

Q.1 a) Fill in the blanks (Any 5)

(05)

1. A cost unit is a ----- unit of product or service
 - a) Qualitative,
 - b) Quantitative
 - c) Expensive
 - d) None of these
2. Overhead cost is the aggregate of indirect material cost, indirect wages and -----
 - a) Variable cost
 - b) Indirect expenses
 - c) Fixed cost
 - d) Semi variable cost
3. In ----- costing it is possible to identify contract from the start to finish
 - a) Process
 - b) Operating
 - c) Contract
 - d) Service
4. _____ is the function of receiving material, storing them & issuing these to the workshops.
 - a) Storekeeping
 - b) Purchase
 - c) Sales
 - d) Marketing
5. The method of costing applied in steel industries is ----- costing
 - a) Process costing
 - b) Contract costing
 - c) Operating costing
 - d) Target costing
6. Inventory control is the core of ----- management.
 - a) Stock
 - b) Labour
 - c) Material
 - d) Cost
7. Where the actual loss in a process is less than the anticipated loss, the difference is _____.
 - a) Normal gain
 - b) Abnormal gain
 - c) Abnormal loss
 - d) Normal Loss

Q.1 b) State whether the following statement are true or false (any 5)

(5)

- 1 Overhead costs are common to more than one cost unit.
- 2 Contract costing is of short duration.
- 3 In process costing, the costs will not flow from one process to another.
- 4 Abnormal process loss is transferred to costing profit and loss account
- 5 Material should be received, unloaded, inspected and then moved to stores.
- 6 Service cost are generally computed period wise
- 7 There is no difference between service costing and process costing

Q.2 a) You are required to apportion and reapportion the service department cost to production departments using direct distribution method

(20)

Nature of Expenses Head	Amount per Month (Rs.)	Basis for Distribution	Service Department (S1)	Production Department (P1)	Production Department (P2)
Depreciation of Building	260	Floor Space	3,200 Sq Ft	3,200 Sq Ft	4,000 Sq Ft
Depreciation of Machinery	2,000	Direct	Rs. 400	Rs.800	Rs. 800
Taxes on Building	208	Value of Building	Rs. 32,000	Rs, 32000	Rs, 40,000
Power	1,200	Relative Demand (KWH)	40	80	80
Sundry Expenses	1,200	No. of Workers	10	20	30

The expenses of the service department are shared between P1 and P2 in the ratio of 1:2. The total direct labour per month is estimated to be 4,304 and 6,790 for P1 and P2 respectively.

OR

Q. 2 b) What do you mean by overhead? Explain the different types of overhead.

Q. 3 a) The following are expenses related to Mahindra co. ltd. in respect of a contract which commenced on 1st April 2021 (10)

Particulars	Amount
Material purchased	60000
Material on hand	5000
Direct wages	80000
Plant issued	50000
Direct expenses	30000
Contract price	500000
Indirect expenses	10% on 80000
Depreciation on the plant	10%

You are required to prepare contract account and the Contratee's Account

Q. 3 b) Write short notes. (Any 2) (05)

- 1 Methods of purchasing
- 2 Inventory Control.
- 3 Features of Operating cost.
- 4 Economic order Quantity.

Q. 4 a) The following expenses were incurred on an unfinished contract during the year 2015. (15)

Materials Rs-85,000

Wages Rs-65,000

Other expenses Rs-15000

Rs-2,00,000 was received from the contractee, being 80% of the work certifief. Work done but not certified was Rs- 15,000.

You are required to prepare Contract account.

OR

Q. 4 b) A product passes through two process A and B the normal wastage of each process is as follows

Process A-3%

Process B-5%

Wastage of process A was sold at Rs- 0.50 per unit

Process B was at Rs- 1 per unit

10000 units were issued to process A in the beginning of November 2017 at a cost of Rs- 2 per unit. The other expenses were as follows:

Particulars	Process A	Process Bs
Sundry materials	2000	3000
Labour	10000	16000
Direct expenses	2100	2375

Actual output was:

Process A 9500 Units

Process B 9100 units

You are required to prepare the process account of A and B