

TILAK MAHARASTRA VIDYAPEETH, PUNE
BACHELOR OF COMMERCE (B.COM.)
EXAMINATION- MAY- 2023
FIFTH SEMESTER

Sub.: Cost & Works Accounting-II (BCOM19- 303C,BCWA-502)

Date: 29/05/2023

Total Marks: 100

Time: 10.00 am to 1.00 pm

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

Q.1(a)	Fill in the blanks (Any 5)	(10)
1.	The purpose of ----- is to bring together all costs incurred for completing a job	
	a) Job costing	b) Process costing
	c) Operating costing	d) None of this
2.	The salary of supervisor's & other staff, who spent their whole time attention to a contract, should be charged to ----- a/c.	
	a) Contract a/c	b) Trading a/c
	c) Profit & loss a/c	d) Process a/c
3	Contract can be classified as _____ contract.	
	Cost – Less	Cost – Plus
	Cost	None of these
4	Insurance premium for factory building is to be treated as _____ overhead.	
	b) Office	b) Factory
	d) Distribution	d) None of These
5	The materials which can be easily identified & attributable to the individual units being manufactured are known as -----.	
	a) Indirect material	b) Expenses
	c) Direct material	d) Closing stock
6	Basis for apportionment of Rent is _____.	
	a) Light point	b) Floor area
	c) Direct	d) Book value
7	----- is the function of receiving material, storing them & issuing these two workshops.	
	a) Purchase	b) Sales
	c) Storekeeping	d) None of These
Q.1(b)	State whether the following statement are true or false (any 5)	(10)

1	At the end of the accounting period, the stock is valued and credited to the contract a/c.																																																												
2	The process costing is used by the firms engaged in the manufacture of products on continuous basis.																																																												
3	Operating costing is used in service industries.																																																												
4	In decentralized purchasing, each department or branch makes its own purchase.																																																												
5	Abnormal process loss is transferred to costing P&L a/c.																																																												
6	All overhead are the cost, but all costs are not the overhead.																																																												
7	Fixed cost in total remain constant																																																												
Q.2(a)	<p>XYZ Ltd. has three production department and two service department. The estimated figures for a certain period are as follows:</p> <table border="0"> <tr> <td>Lightning and electricity</td> <td>20,000</td> </tr> <tr> <td>Rent, rates and taxes</td> <td>1,00,000</td> </tr> <tr> <td>Power</td> <td>10,000</td> </tr> <tr> <td>Wages of store staff</td> <td>20,000</td> </tr> <tr> <td>Depreciation of Machinery</td> <td>30,000</td> </tr> <tr> <td>Insurance Premium</td> <td>20,000</td> </tr> </table> <p>Details:</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="3">Production Department</th> <th colspan="2">Service Department</th> </tr> <tr> <th>X</th> <th>Y</th> <th>Z</th> <th>1</th> <th>2</th> </tr> </thead> <tbody> <tr> <td>Vhats.</td> <td>5,000</td> <td>2,000</td> <td>1,000</td> <td>1,000</td> <td>1,000</td> </tr> <tr> <td>Floor area</td> <td>20,000</td> <td>10,000</td> <td>10,000</td> <td>5,000</td> <td>5,000</td> </tr> <tr> <td>Horse power of machine</td> <td>2,000</td> <td>1,000</td> <td>1,200</td> <td>800</td> <td>----</td> </tr> <tr> <td>Capital Value of machine</td> <td>1,00,000</td> <td>80,000</td> <td>60,000</td> <td>40,000</td> <td>20,000</td> </tr> <tr> <td>Capital value of fixed asset</td> <td>1,20,000</td> <td>1,00,000</td> <td>80,000</td> <td>60,000</td> <td>40,000</td> </tr> <tr> <td>Material used</td> <td>12,000</td> <td>10,000</td> <td>8,000</td> <td>6,000</td> <td>---</td> </tr> </tbody> </table> <p>You are require to apportion the cost to production cost centre using step method</p>	Lightning and electricity	20,000	Rent, rates and taxes	1,00,000	Power	10,000	Wages of store staff	20,000	Depreciation of Machinery	30,000	Insurance Premium	20,000	Particulars	Production Department			Service Department		X	Y	Z	1	2	Vhats.	5,000	2,000	1,000	1,000	1,000	Floor area	20,000	10,000	10,000	5,000	5,000	Horse power of machine	2,000	1,000	1,200	800	----	Capital Value of machine	1,00,000	80,000	60,000	40,000	20,000	Capital value of fixed asset	1,20,000	1,00,000	80,000	60,000	40,000	Material used	12,000	10,000	8,000	6,000	---	(20)
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Q.2(b)	Explain the meaning of overhead absorption and methods of overhead absorption.																																																												
Q.3(a)	<p>500 tons of raw material are used for producing a commodity which passes through two processes. The costs are as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Process I (Rs)</th> <th>Process II (Rs)</th> </tr> </thead> <tbody> <tr> <td>Materials</td> <td>10,000</td> <td>-----</td> </tr> <tr> <td>Labour</td> <td>5,000</td> <td>2,500</td> </tr> <tr> <td>Work expenses</td> <td>2,000</td> <td>1,000</td> </tr> </tbody> </table> <p>10 % of the material is wasted in the process. The wastage is normal. The scrap realized is Rs.300. You are required to show Process No. I Account.</p>		Process I (Rs)	Process II (Rs)	Materials	10,000	-----	Labour	5,000	2,500	Work expenses	2,000	1,000	(10)																																															
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Q.3(b)	Write short notes. (Any 4)	(20)																				
	1) By products	2) Job costing																				
	3) Work certified and uncertified	4) ABC analysis																				
	5) Element wise classification of cost	6) Re-order level																				
Q. 4	Solve the following problem (Any 2)	(30)																				
1.	<p>Material Y is used in a company as follows:</p> <table> <tr> <td>Maximum usage per months</td> <td>1,500 units</td> </tr> <tr> <td>Minimum usage per month</td> <td>900 units</td> </tr> <tr> <td>Normal usage per month</td> <td>1100 units</td> </tr> <tr> <td>Re-order quantity</td> <td>3,800 units</td> </tr> </table> <p>Re-order period 2 to 4 months</p> <p>Calculate:</p> <ol style="list-style-type: none"> Maximum Level Minimum Level Re-order Level Average stock Level 	Maximum usage per months	1,500 units	Minimum usage per month	900 units	Normal usage per month	1100 units	Re-order quantity	3,800 units													
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2.	<p>The following expenses have been incurred in respect of a shop having 4 identical machines:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Rent and Taxes</td> <td>12,000 p.a.</td> </tr> <tr> <td>Power Consumed by the shop at 10 paise per unit</td> <td>9,600 p.a.</td> </tr> <tr> <td>Repairs of 4 machines</td> <td>2,000 p.a.</td> </tr> <tr> <td>Lighting for the shop</td> <td>1,600 p.a.</td> </tr> <tr> <td>Lubricants</td> <td>200 p.a.</td> </tr> <tr> <td>Depreciation per machine</td> <td>1,200 p.a.</td> </tr> <tr> <td>Supervisor: looking after 4 machines and is paid `</td> <td>1,200 p.m.</td> </tr> <tr> <td>Attendants – two attendants looking after 5 machines paid `</td> <td>60 p.m. each</td> </tr> <tr> <td>Each machine consumes 10 units of power per hour.</td> <td></td> </tr> </tbody> </table>	Particulars	Amount	Rent and Taxes	12,000 p.a.	Power Consumed by the shop at 10 paise per unit	9,600 p.a.	Repairs of 4 machines	2,000 p.a.	Lighting for the shop	1,600 p.a.	Lubricants	200 p.a.	Depreciation per machine	1,200 p.a.	Supervisor: looking after 4 machines and is paid `	1,200 p.m.	Attendants – two attendants looking after 5 machines paid `	60 p.m. each	Each machine consumes 10 units of power per hour.		
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3.	Explain various methods of overhead absorptions.																					
4.	Define Job costing; state its feature and procedure of Job costing.																					