

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**BACHELOR OF COMMERCE (B. COM)**  
**EXAMINATION: MAY 2024**  
**FIFTH SEMESTER**  
**Sub.: Cost & Work Accounting-II (BCOM19-303C)**

**Date: 22/05/2024**

**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. ----- is the function of receiving materials, storing them & issuing these to work shop or departments.
  - a) Recording
  - b) Book- keeping
  - c) Store keeping
  - d) None of this
4. 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
5. The method of costing applied in steel industries is ----- costing.
  - a) Process costing
  - b) Contract costing
  - c) Operating costing
  - d) Target costing
6. Overhead cost is the aggregate of Indirect material cost, indirect wages and -----.
  - a) Variable cost
  - b) Fixed cost
  - c) Indirect expenses
  - d) None of this
7. Inventory control is the core of ----- management.
  - a) Material
  - b) Expenses
  - c) Labour
  - d) None of the above

**(B) State whether the following statements are true or false (any 5)**

**(10)**

1. All overhead are administration overheads.
2. Abnormal process loss is transferred to costing P&L a/c.
3. All overheads are the costs but all costs are not the overheads.
4. Operating costing is used in service industries.
5. In decentralized purchasing, each department or branch makes its own purchase.
6. The process costing is used by the firms engaged in the manufacture of products on continuous basis.
7. At the end of the accounting period, the stock is valued and credited to the contract a/c.

**Q. 2. (A)** Super class Co. Ltd. has three production departments X,Y,Z and two service departments A and B. The following estimated figures for a certain period have been made available:

**(20)**

Particulars	Amount
Rent and rates	10,000
Lighting and electricity	1,200
Indirect wages	3,000
Power	3,000
Depreciation on machinery	20,000
Other expenses and sundries	20,000

Additional information:

Particulars	X	Y	Z	A	B
Flooring space ( sq. mts.)	2,000	2,500	3,000	2,000	500
Light points (nos)	20	30	40	20	10
Direct wages	6,000	4,000	6,000	3,000	1,000
Horse power of machines	120	60	100	20	---
Cost of machinery	24,000	32,000	40,000	2,000	2,000

You are required to apportion the cost to various departments on the most equitable basis by preparing a primary distribution summary

**OR**

**(B)** Define Job costing; state its feature and procedure of Job costing.

**Q. 3. (A)** Define Job costing; state its feature and procedure of Job costing. Material X and Y are used as follows:

**(10)**

Minimum usage -50 units each per week

Maximum usage – 150 units each per week

Normal usage – 100 units each per week

Ordering quantities X = 600 units

Y = 1000 units

Delivery period X = 4-6 weeks

Y = 2-4 weeks

Calculate for each material

Maximum level

Minimum level

Ordering level

**(B) Write short notes. (Any 4)**

**(20)**

1. Objectives of inventory control
2. Behavior wise classification of cost
3. EOQ
4. Features of service costing
5. Work certified and uncertified
6. Re-order level

**Q. 4. Solve the following problem (Any 2)**

**(30)**

1. What do you mean by cost of materials and explain in detail methods of purchasing.
2. 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

3. From the following information prepare contract account

Particulars	Amount
Contract price	250,000
Material sent to site	85349
Labour	74375
Plant installed at site at cost	15000
Direct expenses	3167
Establishment charges	4126
Material return to store	549
Work certified	195000
Value of plant as on 31 <sup>st</sup> March	11000
Cost of work not yet certified	4500
Material sent at site on 31 <sup>st</sup> March	1883
Wages accrued on 31 <sup>st</sup> March	2400
Direct expenses accrued	240
Cash received from contractee	180000

4. What do you mean by overheads? Explain the different types of overheads.