

Total No. of Questions : 4]

SEAT No. :

**P1796**

[6032]-510

[Total No. of Pages : 3

**T.Y.B.Com.**

**355 E : COST AND WORKS ACCOUNTING - II  
(2019 Pattern) (Semester - V)**

*Time : 2½ Hours]*

*[Max. Marks : 50*

*Instructions to the candidates:*

- 1) *All questions are compulsory.*
- 2) *Figures to the right indicate full marks.*

**Q1) A) Fill in the blanks (any 5 out of 6). [5]**

- a) Normal \_\_\_\_\_ is an example of selling overheads.
  - i) Purchase
  - ii) Bad debts
  - iii) prime
  - iv) income
- b) The Cost accounting standards are developed by \_\_\_\_\_.
  - i) Cost Accounting Standards Board
  - ii) Financial accounting standards board
  - iii) Reporting standards board
  - iv) Recording standards board
- c) Overheads are absorbed on the basis of absorption \_\_\_\_\_.
  - i) Rules
  - ii) policy
  - iii) rates
  - iv) procedure
- d) In activity based costing system, cost pool is like a \_\_\_\_\_.
  - i) unit
  - ii) centre store
  - iii) cost centre
  - iv) driver
- e) As per CAS-15 \_\_\_\_\_ overheads comprises selling overheads and distribution overheads.
  - i) Purchase
  - ii) production
  - iii) banking
  - iv) marketing
- f) Variable overheads vary with the volume of \_\_\_\_\_.
  - i) Output
  - ii) charges
  - iii) Rigid expenses
  - iv) Flexible rates

**B) b) Match the following. [5]**

- |  |  |
|--|--|
| i) Prime cost                          | 1) Selling expenses                    |
| ii) CAS-3                              | 2) Providing a service                 |
| iii) Service Cost                      | 3) Production and operations overheads |
| iv) Selling and Distribution overheads | 4) Unaffected by variations            |
| v) Fixed overheads                     | 5) Directly related to production      |

**P.T.O.**

**Q2) Short notes (Any Two out of Four).**

**[10]**

- Cost Accounting Standards.
- Explain the need for Activity Based Costing.
- Classification of costs.
- Absorption of overheads

**Q3) The following data were obtained by M.K. Corporation Ltd., Nagpur, for the six months ended 31-3-15. Calculate department overhead rates for each of the production dept. assuming that the overheads rate are recovered as a percentage of prime cost materials.**

**[15]**

Particulars	Production departments			Service departments	
	“A”	“B”	“C”	“X”	“Y”
Direct materials (in Rs)	3,200	5,000	8,700	1,500	1,000
Direct wages (in Rs)	7,000	6,000	5,000	1,000	1,000
Employee numbers (numbers)	200	150	150	50	50
Electricity K.W.H	8,000	6,000	6,000	2,000	3,000
Light point numbers (number)	10	15	15	5	5
Capital value of Assets	50,000	30,000	20,000	10,000	10,000
Area occupied Sq. Mtrs (in sq Mtrs)	800	600	600	200	200

Other expenses for the period were:

Indirect expenses:

Production depts:	In Rs.
“A”	660
“B”	780
“C”	900
Service depts:	
“X”	900
“Y”	860
Material handling charges	400
Motive power	1,500
Electricity and lighting	200
Recreation room expenses	3,000
Depreciation	6,000
Repairs and Maintenance	1,200
General overheads	10,000
Rent and taxes	600

Apportion the expenses of service dept: “X” in the ratio of 4 : 3 : 3 and that of Service dept.: “Y” in the proportion to Direct Materials.

**Q4)** Star Ltd., has installed a Historical Costing System and follows the practise to absorb overheads on the basis of pre-determined rate. The following particulars are made available relating to the financial year ended on 31st March 2021. [15]

Particulars	Rs.
Stock of Work-In-Progress	40,000
Factory overheads absorbed	84,740
Stock of Finished Goods	1,20,000
Actual Factory Overheads	1,09,740
Cost of Goods Sold	2,40,000

Determine unabsorbed overheads and indicate clearly the profit implications of different methods of disposal of underabsorbed overheads.

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