

[6224]-510

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 7) : [5]**

- i) \_\_\_\_\_ overheads are related to the periods, hence they are termed as period costs.
  - a) Fixed
  - b) Variable
  - c) Semi variable
  - d) Direct
- ii) Uncontrollable overheads are \_\_\_\_\_ the control of the management.
  - a) Within
  - b) Beyond
  - c) Decreasing
  - d) Fixed
- iii) Overheads absorbed on the basis of absorption \_\_\_\_\_.
  - a) Tools
  - b) Rates
  - c) Costs
  - d) Price
- iv) Under absorption of overheads results in \_\_\_\_\_ of cost.
  - a) Under statement
  - b) Rise
  - c) Increase
  - d) Inflate
- v) \_\_\_\_\_ is a more specific way of allocating overhead costs based on “activities” that actually contribute to overhead costs.
  - a) Marginal costing
  - b) Standard costing
  - c) Activity-based costing
  - d) Uniform costing

vi) \_\_\_\_\_ are business costs that are related to the day-to-day running of the business.

- a) Rent
- b) Rates
- c) Bonus
- d) Overheads

vii) As per CAS 15 \_\_\_\_\_ overheads comprises selling overheads and distribution overheads.

- a) Marketing
- b) Production
- c) Purchase
- d) Price

**B) Match the following :**

[5]

- i) Fixed overheads - CAS - 11
- ii) Administrative overheads - money. spent on an activity
- iii) Production and Operations overheads - unaffected by variations
- iv) Activity based costing - CAS - 3
- v) Cost pools - allocating overhead costs based on activities

**Q2) Short Notes (Any Two out of Four) :**

[10]

- a) Utility of Cost Accounting Standards
- b) Need for Activity Based Costing
- c) Classification of Overheads
- d) Absorption of overheads

**Q3)** The following data were obtained by Global Summit for the month ended 31<sup>st</sup> March 2021 from which you are required to calculate the departmental overhead rate for each of the production department assuming that overheads are recovered as percentage of Direct Wages : [15]

[15]

Particulars	Production departments			Service departments	
	“A”	“B”	“C”	“X”	“Y”
Direct materials in Rs.	15000	30000	30000	22500	22500
Direct wages in Rs.	30000	45000	60000	15000	30000
Staff numbers No.	1500	2250	2250	750	750
Electricity KWH	6000	4500	3000	1500	1500
Capital value of Assets in Rs.	60000	40000	30000	10000	10000
Area Sq. ft.	1500	2500	500	500	500
Light Points No.	10	16	4	6	4

Other expenses for the period were :

The overhead Expenses for the period were:

Particulars	In Rs.
Power	1100
Lighting	200
Stores Overhead	800
Staff Welfare	3000
Depreciation	30000
Repairs	6000
General Overheads	12000
Rent and Taxes	550

Apportion the overhead expenses of service dept "Y" on the basis of direct wages and those of service dept "X" in the ratio of 10:6:4 to the Production Depts.

**Q4)** Forex Ltd. Fardapur has submitted the cost data below : [15]

Particulars	2020 Rs.	2021 Rs.
Actual overheads	500000	648000
Actual Labour Cost	1250000	Increased by 20%

Overheads were absorbed at the same rate as based on actuals for the year 2020. The statement of cost for the year 2021 indicates that direct labour cost is distributed as follows -

Particulars	Rs.
Cost of Sales	1000000
Closing Stock of finished goods	375000
Work-in-progress at the end	125000
Total	1500000

You are required to calculate

- Overhead absorption rate
- The amount of overheads under or over absorbed
- The disposal of Overheads

