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SEAT No. :

P3830

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[5619]- 1005

M.Com. (Part - I) (Semester - I)

ADVANCE COST ACCOUNTING AND COST SYSTEMS

Advance Cost Accounting (Paper - I)

(2019 Pattern) (Credit System)

Time :3 Hours]

[Max. Marks : 60

Instructions to the candidates :-

- 1) All questions are compulsory.
- 2) Figures to the right indicate full marks.
- 3) Use of calculator is allowed.

Q1) A company has three production departments A,B and C and two service departments X and Y. the expenses incurred by them during the month are.[15]

A - ₹. 80,000

B - ₹. 70,000

C - ₹. 50,000

X - ₹. 23,400

Y - ₹. 30,000

The expenses of service departments are apportioned to the production departments on the following basis.

	A	B	C	X	Y
Expenses of X	20%	40%	30%	-	10%
Expenses of Y	40%	20%	20%	20%	-

Show clearly as to how the expenses of X and Y department would be apportioned to the A,B, and C departments under repeated distribution method.

OR

From the following particulars, calculate machine hour rate for a machine "No.1420" having four identical machine. [15]

Rent and rates for the year	₹ 6,000
Power consumed by shop @ Re.0.10 per unit	₹ 4,800 p.a
Annual repairs for four machines	₹ 1,200
Lighting for the shop for 12 months	₹ 500
Yearly charges for Lubricant	₹ 160
Depreciation per machinery for the year	₹ 600
Supervisor looking after four machine and is paid with a monthly salary	₹ 600
Hire purchase installments for machine (including Rs. 300 for hire purchase interest)	₹ 6,300

P.T.O.

Attendant : two attendant looking after four machines paid ₹ 60 per month, each

Each machine consumes 10 units of power per hour.

- Q2)** a) The average material consumption of a material is 18,250 units at a price of ₹ 36.50 per unit. The storage cost is 20% on an average inventory and the cost of placing an order is ₹ 50. How much quantity is to be purchased at a time and also calculate no. of orders to be placed per year? [6]
- b) The following information is available in books of a company for the year ended 31st December 2018 [6]

	Material A (₹)	Material B (₹)
Opening Stock	14,000	20,000
Purchases	2,30,000	36,000
Closing Stock	10,000	24,000

Calculate the material turnover ratio of the above type of materials and determine which of the two materials is fast moving.

- Q3)** Modern contractors have undertaken the following contracts on 1 January 2018. [15]

	Contracts A ₹
Materials sent to sites	85,349
Labour engaged on sites	74,375
Plants installed at sites at cost	15,000
Direct expenditures	3,167
Establishment charges	4,126
Material returned to store	549
Work certified	1,95,000
Cost of work not certified	4,500
Material in hand on 31 st Dec 2018	1,883
Wages accrued on 31 st Dec 2018	2,400
Direct expenditure accrued on 31 st Dec 2018	240
Value of plant on 31 st Dec 2009	11,000

The contract prices have been agreed at ₹ 2,50,000/- for Contract A. Cash has been received from the contractee ₹ 1,80,000/- Prepare contract account, contractee's accounts and extracted Balance sheet.

OR

Make out process A, Process B, Normal loss and Abnormal loss accounts from the following details : [15]

	Process A	Process B
	₹	₹
Material	30,000	3,000
Labour	10,000	12,000
Overheads	7,000	8,600
Input (Units)	20,000	17,500
Normal loss	10%	4%
Sale of wastes per unit	₹ 1	₹ 2

There was no opening or closing stock or work-in-progress. Final output from process B was 17,000 units.

Q4) Define overhead and explain the classification of overheads. [10]

OR

Define the term labour cost. Explain briefly the methods of Remuneration. [10]

Q5) Write short notes (any two) [8]

- Under and over Absorption of Overheads.
- Just In Time
- Job Costing
- Idle time

