

SUNDARBAN MAHAVIDYALAYA
INTERNAL EXAMINATION 2020
SEMESTER – II

COST AND MANAGEMENT ACCOUNTING – I

Full Marks: 50

Group – A

(Answer any two questions)

(15 x 2 = 30)

1. From the following particulars, calculate (i) Re-order Level, (ii) Minimum Level, and (iii) Maximum Level.

Normal usage	2,000 units per day	
Minimum usage	1,200 units per day	
Maximum usage	2,600 units per day	
Re-order quantity	1,00,000 units	
Delivery period	24 to 30 days.	15

2. During a certain week a worker produced 240 units of a product. Working hours during the week are 48 hours. Standard rate is Rs. 5 per hour. Standard time to produce one unit is 15 minutes. Calculate his gross wages for the week according to:

(a) Piece wages, (b) Halsey Premium plan, and (c) Rowan Premium plan. 15

3. Direct cost for the Job No. 502:

Material:			Rs. 40,000
Wages:	Department	X:	60 hours @ Rs. 30
		Y:	40 hours @ Rs. 20
		Z:	20 hours @ Rs. 50

Estimated overhead expenses for these three departments:

Variable overhead:	Department	X:	Rs. 50,000 for 5,000 labour hours
		Y:	Rs. 30,000 for 1,500 labour hours
		Z:	Rs. 20,000 for 500 labour hours

Fixed overhead was estimated at Rs. 2,00,000 for 10,000 normal working hours.

Calculate the cost of Job No. 502. 15

4. X Ltd. undertook a contract for Rs. 5,00,000 on 1st January, 2019. The company furnishes the following details for the year ended 31st December, 2019:

	Rs.
Materials issued	1,95,000
Wages	30,000
Direct expenses	5,000
Materials returned to store	5,000
Materials stolen from site	10,000
Insurance claim admitted	6,000
Materials at site on 31,12,2019	15,000
Cost of Plant sent to site	60,000
Depreciation on Plant	4,000
Other works expenses allocated to the contract	6,000
Office expenses allocated to the contract	21,000
Value of work certified	3,00,000
Cost of work uncertified	11,000
Cash received to the extent of 90% of work certified.	

Prepare Contract Account. 15

Group – B
(Answer any one question)

(20 x 1 = 20)

5. From the following particulars, prepare a Cost Sheet showing prime cost, works cost, cost of production, cost of goods sold, cost of sales and profit:

	Opening Stock	Closing Stock	
	Rs.	Rs.	
Raw materials	15,000	15,600	
Finished goods	10,200	9,600	
Work-in-progress	4,800	7,200	
		Rs.	
Purchase of raw materials	18,000		
Direct wages	10,200		
Works expenses	5,280		
Office expenses	1,800		
Selling expenses	2,400		
Depreciation on Plant and Machinery	4,800		
Rate of profit	20% on sales		20

6. ABC Engineering Co. Ltd. has three production departments X, Y, Z and two service departments P and Q. The following figures are extracted from the records of the company.

	Rs.		Rs.
Indirect material	15,000	Indirect wages	10,000
Depreciation on machinery	25,000	Depreciation on building	5,000
Rent	10,000	Power	15,000
Lighting	500	Sundries	15,000

The company furnishes the following further information:

	X	Y	Z	P	Q
Direct material (Rs.)	20,000	10,000	19,000	6,000	5,000
Direct wages (Rs.)	15,000	15,000	4,000	2,000	4,000
Value of machineries (Rs.)	60,000	1,00,000	40,000	25,000	25,000
Floor area (sq. ft.)	15,000	10,000	10,000	5,000	10,000
H.P. of machines	50	60	30	5	5
No. of light points	15	10	10	5	10
Labour hours	5,000	5,000	2,000	1,000	2,000

The expenses of service departments are to be apportioned as follows:

	X	Y	Z	P	Q
P	40%	20%	30%	-	10%
Q	30%	30%	40%	-	-

Prepare a statement showing both primary and secondary distribution of overheads. 20

7. Y Ltd. produces a single product which undergoes two processes. From the following information prepare Process Accounts, Normal Loss Account, Abnormal Loss Account and Abnormal Gain Account.

	Process A	Process B	
	Rs.	Rs.	
Raw materials issued (3,000 units)	15,000	-	
Additional materials	1,000	780	
Direct wages	14,000	20,000	
Production overhead	3,000	7,500	
Normal loss as % of input	10%	5%	
Scrap value per unit	2.00	5.00	
Output in units	2,800 units	2,600 units	20