

GOVERNMENT COLLEGE OF COMMERCE AND ECONOMICS, BORDA, MARGAO-GOA

B.COM SEMESTER VI (CBCS) END EXAMINATION, AUGUST, 2020

Cost Accounting Major V –Advanced Cost Accounting-1

(As per the GU OS-1, COVID-19 Pandemic)

Duration : 2 Hours

Max. Marks: 30

- Instructions :** 1) Both questions are **compulsory**, however **internal choice** is available.
2) Answers to sub-questions I (1 to 7) to be answered in **not more than 60 words each**.
3) Answers to sub-questions II (1 and 2) to be answered in **not more than 120 words each**.
4) Figures to the right indicate maximum marks allotted to the questions/sub-questions.

Q.I Answer the following: (Any five)

(2x5=10)

- 1) Explain Job Costing with an example.
- 2) Explain Batch Costing with an example.
- 3) Significance of recording of costs in Job Costing.
- 4) Application of Operating Costing.
- 5) Reasons for disagreement between costing profit with accounting profit.
- 6) Techniques of Cost control (any two).
- 7) Areas of Cost reduction (any two).
- 8) Compute the Economic batch quantity using the following information:

Annual demand for the components	8,000 units
Setting up cost	₹ 200
Cost of manufacture per unit	₹400
Rate of interest per annum	10%

Q.II Answer the following: (Any four)

(5x4=20)

- 1) Features of Operating costing (any five).
- 2) Difference between Cost control and Cost reduction. (any five).
- 3) From the following information, prepare an estimate for Job no. 555.

Direct materials consumed	₹5,000
Direct wages	₹10,000
Factory overheads	60% on wages
Office overheads	20% on factory cost

The tender should include a profit of 20% on selling price.
- 4) Component "X" is made in cost centre 501.

Material cost ₹ 12 per component and each component takes 20 minutes to produce. The machine operator is paid ₹ 144 per hour and the machine hour rate is ₹ 300.

On the basis of this information, prepare cost sheet showing only production costs for producing 100 components.

- 5) A transport service company is running 4 buses between two cities which are 50 kms. apart. Seating capacity of each bus is 40 passengers. On an average 75% of seats are occupied in each trip. The following particulars were obtained from the company's book for the month of November 2019.

Staff salary	₹ 80,000
Garage rent	₹ 10,000
Fuel charges	₹ 50,000
Maintenance charges	₹ 10,000

Calculate Cost per passenger kilometer.

- 6) The net profit as per cost records of Neptune Ltd. appeared as ₹ 2, 56,000

Particulars	Amount (₹)
Works overhead under- recovered in cost	6,240
Administrative overheads recovered in excess	3,400
Depreciation recovered in cost	25,000
Depreciation charged in financial books	22,400
Interest on investment not shown in cost accounting	1,000
Interest on loan funds shown in financial books	15,000

Prepare reconciliation statement to calculate profit as per financial books.
