



## BRAINWARE UNIVERSITY

Term End Examination 2023  
Programme – B.Com.(BF)-Hons-2021  
Course Name – Cost Accounting  
Course Code - BCMC201  
( Semester II )

Library  
Brainware University  
303, Ramkrishnapur Road, Barasat  
Kolkata, West Bengal-700125

Full Marks : 60

Time : 2:30 Hours

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

### Group-A

(Multiple Choice Type Question)

1 x 15=15

1. Choose the correct alternative from the following :

- (i) \_\_\_\_\_ is that portion of expired cost resulting from a productive usage of an asset (Identify the correct answer)
- a) Cost  
b) Expense  
c) Loss  
d) None of these
- (ii) Standard time for a job is 8 hours and actual time taken is 6 hours. Compute the total wages payable under Halsey plan if wage rate is Rs. 10 per hour.
- a) Rs. 90  
b) Rs. 80  
c) Rs. 70  
d) Rs. 60
- (iii) Time rate and piece rate are combined in\_ (Show the correct option)
- a) Halsey plan  
b) Emerson's plan  
c) Gantt system  
d) Taylor's system
- (iv) \_\_\_\_\_ cost centre consists of allocation or an item of equipment or a group of these. (Identify the correct answer)
- a) Operation  
b) Personal  
c) Production  
d) Impersonal
- (v) According to Merrick's multiple piece rate system, the piece rate applicable to a worker with an efficiency of 100 % or above is \_\_\_\_\_ of normal piece rate. (Choose the correct option)
- a) 1  
b) 1.1  
c) 1.2  
d) 1.5
- (vi) Absorption can be interpreted as
- a) Charging of overhead to cost centres  
b) Charging if overhead to cost units  
c) Charging of overhead to cost centres or units  
d) None of the above
- (vii) The need for reconciling cost and financial accounts arise\_ (Choose the correct option)
- a) To comply with statutory obligations  
b) To ensure the reliability of cost accounts  
c) Notional charge  
d) None of these
- (viii) Costs which are collectively incurred for a number of cost centres and are required to be suitably apportioned for determining for determining cost of individual cost centres is\_ (Select the correct option)
- a) Uniform cost  
b) Common cost  
c) Joint cost  
d) Product cost
- (ix) Primary packing materials are examples of \_\_\_\_\_ (Recognize the correct option)
- a) Direct materials  
b) Indirect materials  
c) Selling OH  
d) Factory OH
- (x) The rate of change in the material usage is called \_\_\_\_\_ (Select the correct answer)
- a) Input output ratio  
b) Inventory turnover ratio  
c) EOQ  
d) Inventory control
- (xi) Select the methods which is used to control spare parts.
- a) FNSD analysis  
b) VED analysis  
c) ABC analysis  
d) JIT
- (xii) According to ABC analysis, materials grouped as A constitutes\_ (Identify the correct answer)
- a) 5 -10 % qty & 60-70 % value  
b) 15-20% qty & 15-25% value  
c) 65-70 % qty & 5 - 10 % value  
d) None of these
- (xiii) The main function of cost accounting is \_\_\_\_\_ reporting (Identify the correct answer)
- a) Internal  
b) External  
c) Government  
d) Bank
- (xiv) The exact cause of increase or decrease in profit or loss is di- sclosed by- (Identify the correct answer)
- a) Management accounting system  
b) Financial accounting system  
c) Cost accounting system  
d) Management information system
- (xv) Cost accountancy is considered an art because it \_\_\_\_\_. (Identify the correct answer)
- a) Has systematic body of knowledge  
b) requires necessary ability and skills

c) involves continuous efforts of cost accountant

d) None of the above

**Group-B**  
(Short Answer Type Questions)

3 x 5=15

2. Define factory or works cost (3)
  3. Identify the main principles on which a sound system of wage incentive should be based. (3)
  4. Calculate prime cost from the following particulars for a production unit: Cost of material purchased Rs.30,000. Opening stock of material Rs.6,000. Closing stock of material Rs.4,000. Wages paid Rs.3,000. Rent of hire of a special machine for production Rs.5,000. (3)
  5. Explain the advantages of job costing. (3)
  6. Explain Abnormal gain. (3)
- OR**
- Illustrate direct material & indirect material. (3)

**Group-C**  
(Long Answer Type Questions)

5 x 6=30

7. From the following information, calculate Economic Order Quantity (EOQ) and the number of orders to be placed in one quarter of the year: (i) Quarterly consumption of material 50 (iii) Cost per unit Rs. 40 (iv) Storage and carrying cost = 8% p.a. (on average inventory)
8. Prepare a Contract Account of the building for the year ending on 31.12.2017 by evaluating a reasonable profit to Profit and Loss Account, after adjusting depreciation

A building contractor undertook a contract to construct a building for which following details (figures in rupees) :

Construction started	January 1, 2017	Proportionate overhead expenses
Total contract price	5,00,000	Materials in hand on closing date
Raw materials supplied	1,00,000	Expenses accrued but not paid
Direct labour cost	60,000	Work certified
Other expenses	5,000	Work not certified
Plant installed at site (cost)	80,000	Cash received from contractee

9. Define Cost accounting and enumerate its important objectives.
10. Enumerate the limitations of EOQ model.
11. Explain the role of bill of materials in cost accounting.
12. Calculate the total overhead cost of production department from the following information:

In a factory, there are three production departments and one service department. The cost follows :

Power ₹ 1,800; Light ₹ 1,000; Repair to Plant ₹ 9,000; Rent ₹ 10,000; Depreciation ₹ 15,000.

With the above-noted expenses and the following further information, determine the total cost of production departments. Cost of the service department is apportioned to production departments in the ratio.

	Production Departments			Service Department
	A	B	C	S
Area (sq.mt.)	1,250	550	450	250
Cost of Plant (₹)	1,20,000	90,000	90,000	—
Direct Wages (₹)	30,000	20,000	15,000	10,000
H.P. of Machines	6	4	5	—
Light Points (Nos.)	8	7	6	4

Tirupati Electronics Ltd. produces a standard product and provides you the following information for the year ending 31st March, 2023. Prepare cost sheet for the year ending 31st March, 2023. price per unit so as to yield a profit of 20% on the selling price. **OR**

Raw materials :	
Opening stock	10,000
Purchases	85,000
Closing stock	4,000
Direct wages	20,000
Other direct expenses	10,000
Factory overheads	10% of direct wages
Office overheads	10% of works cost
Selling expenses	₹ 2 per unit sold
Finished goods :	
Opening stock	1,000 units (₹ 16,000)
Produced during the year	10,000 units
Closing stock	2,000 units

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