Jamia Hamdard
School of Management and Business Studies
Department of Management
Odd Semester Examination - January 2023
B.Com (Hons.) III Semester
Subject Code - BCH304
Subject Name – Cost Accounting

Roll No...

Duration: 3 Hour

Max.Marks -75

Section A - Short Answer (5X6=30)

Note: Attempt any Six Questions, All questions carry equal marks

Q1: Define Cost Accounting. Discuss the characteristics of an ideal system of Cost Accounting.

Q2: Discuss the various method of pricing the issue of material for production.

Q3: What are the merits of Taylor's Differential Piece Rate system?

Q4: Mention the broad principles on which factory overheads are generally apportioned.

Q5: Calculate the cost of material consumed

Opening stock of material	Rs 24,000
Material Purchased	Rs 1,20,000
Carriage on Material Purchased	Rs 200
Defective material returned to supplier Rs 2,400 (Cost Price)	
Closing Stock of Material	Rs 80,000
Material Sold Rs 4,000 (Cost price 3,000)	

Q6: What do you mean by Cost sheet? Prepare a cost sheet with imaginary figure.

Q7: Explain the concept of under absorption and over absorption of overheads.

Q8: "Two of the main objections against cost accounts are that they are expensive and unnecessary". Do you agree with this statement?

Q9: The following transaction took place for the month of March, 2006 in Swati limited. Give Journal entries in cost book:

	Rs.
1. Purchase of Material	
(a) Credit purchase	2,000
(b) Cash purchases	800
(c) Credit purchase for special Jobs	400
2. Return to suppliers	320
3. Direct Materials issued to Jobs	1,400
4. Indirect Materials issued to Jobs	600
5. Material returned from Job to store	100

(15X3=45)

Section B-Long Answer

Note: Attempt any Three Questions; All questions carry equal marks

Q1: "Time-keeping is the basic need in any factory." State the main purpose of time-keeping. Also discuss the different methods of time-keeping and checking in relation thereto.

Q2: X and Y are two service departments with respective total of Rs 4,000 and Rs 5,000 of overheads which are to be apportioned on inter-service department basis on the basis of percentage given in the chart below.

Find out the total overheads of production departments A, B and C, assuming the total of A, B and C being Rs 6,000 Rs 7,000 and Rs 5,000 respectively before distribution.

Departments	**Production Departments**			**Service Departments**		
	A	B	C	X	Y	
X	30%	40%	20%	-	10%	
Y	10%	20%	50%	20%	-	
Total overheads	6,000	7,000	5,000	4,000	5,000	Total Rs 27000

Q3: What do you understand by elements of cost? Give the main classes of cost and explain with the help of a diagram.

Q4: On January1, 2005 a contract undertaking for Rs 3,00,000 and incurred the following expenses during the year :

	Rs
Material issued from stores	2,000
Material purchased	60,000
Wages	40,000
Wages accrued on 31.12.05	10,000
Indirect expenses	18,000
Plant issued	80,000
Materials returned to store	4,000
Materials lost by fire	1,000
Materials at site	3,000
Depreciation on plant @ 12.5% per annum	
Work Uncertified	20,000
Cash received from Contractee	1,12,000

Cash receives is 80% of work certified i.e, after deduction of 20% retention money. From the above particulars present (a) Contract A/c (b) Work in progress A/c and (c) Related part of balance sheet.

Q5: Give necessary Journal entries in cost books under non-integrated accounting for the following transactions:

	Paid	Outstanding
(i) Actual overheads Incurred	Rs	Rs
(a) Factory Overheads	23,200	9,200
(b) Office Overheads	14,000	2,800
(c) Selling and Distribution Overheads	18,400	4,800
(ii) Overheads recovered:		
(a) Factory Overheads		30,000
(b) Office Overheads		18,000
(c) Selling and Distribution Overheads		24,000

Q6: Define and explain the terms 'Joint Product' and 'By-Product'. Enumerate the methods which may be employed in costing joint products.