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S.Y. B.Com. EXAMINATION, 2013
COST AND WORKS ACCOUNTING
Paper I
(2008 PATTERN)

Time : Three Hours

Maximum Marks : 80

N.B. :— (i) All questions are compulsory.

(ii) Figures to the right indicate full marks.

(iii) Use of calculator is allowed.

1. (A) Fill in the blanks : [5]

(i) Cost of sales is arrived by adding..... overheads to cost of production.

(ii) Milk used in dairy products is the example of..... materials.

(iii) In goods transport company, per tonne per kilometre is a.....cost unit.

P.T.O.

(iv)is the level of stock below which stock of material should never be allowed to fall.

(v) Efficient time booking helps to minimise..... .

(B) State whether the following statements are True *or* False : [5]

(i) A prosperous business does not need a costing system.

(ii) A cost unit is a unit of measurement of efficiency.

(iii) Low value and high volume of items fall in 'C' category under ABC Analysis.

(iv) Piece rate system of Wage Payment does not ensure minimum wages of workers.

(v) Merit rating is used to determine the fair rate of pay for different workers on the basis of their capacity.

2. What is Cost ? Explain the different elements of cost. [15]

Or

What is meant by Material Control ? What are its objectives ? [15]

3. Write short notes on (any *three*) : [15]

(i) Classification and codification of materials

(ii) Time Wage System

(iii) Halsey Premium Plan

(iv) Perpetual Inventory System

(v) Merit Rating.

4. (A) The accounts of Artistic Manufacturing Ltd. for the year ended 31st December, 2011 show the following :

Particulars	Amount
	Rs.
Stock of Materials (1-1-2011)	67,200
Materials Purchased	2,59,000
Drawing Office Salaries	9,100
General Office Salaries	17,000
Preliminary Expenses	9,100
Traveller's Salaries and Commission	10,780

Depreciation on Office Furniture	420
Rent, Rates, Taxes and Insurance (Factory)	11,900
Productive Wages	1,76,400
General Expenses	4,760
Gas and Water (Factory)	1,680
Travelling Expenses	2,940
Sales	6,45,540
Manager's Salary (2/3 Factory, 1/3 Office)	15,000
Depreciation on Plant, Machinery and Tools	9,100
Trade Discount	4,060
Repairs of Plants, Machinery and Tools	6,230
Carriage Outward	6,020
Direct Expenses	10,010
Interest on bank loan	5,000
Rent, Rates, Taxes and Insurance (office)	2,800

Income Tax	8,000
Gas and Water (Office)	560
Stock of Materials (31-12-2011)	87,920

Prepare a Cost-sheet of Artistic Manufacturing Ltd. [15]

- (B) Calculate the earning of P and Q under Taylor's Differential Piece Rate System, from the following information : [5]

Standard production : 28 units per hour

Factory day : 8 hours

Normal time rate : Rs. 11.20 per hour

Differentials to be applied : 80% of piece rate below standard,
120% of piece rate at or above
standard.

Mr. P produces 200 units a day

Mr. Q produces 240 units a day.

5. (A) The following particulars have been extracted in respect of material *x*. Prepare Store Ledger Account showing the receipts and issues, pricing the materials issued on the basis of Weighted Average Method : [10]

Date	Particulars
	<i>Receipts</i> :
3rd Oct., 2011	Purchased 500 units @ Rs. 4=00 per unit
13th Oct., 2011	Purchased 900 units @ Rs. 4=30 per unit
23rd Oct., 2011	Purchased 600 units @ Rs. 3=80 per unit
	<i>Issues</i> :
5th Oct., 2011	Issued 400 units
15th Oct., 2011	Issued 600 units
25th Oct., 2011	Issued 600 units

- (B) Compute the materials turnover ratio for materials M and N and comment upon the results : [10]

Particulars	Material M	Material N
Opening Stock	20,000	18,000
Purchase during the year	1,04,000	54,000
Closing stock	12,000	22,000

Or

(B) Standard time allotted for a job is 40 hours and the rate per hour is Rs. 2.00 plus a dearness allowance @ 50 paise per hour worked.

The Actual time taken by a worker is 30 hours.

Calculate the earnings under (a) Halsey Plan and (b) Rowan Plan. [10]

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