

**Subject : Cost & Management Accounting -II**

Day : Saturday  
Date : 09/04/2016



Time : 3.00 P.M. TO 6.00 P.M.  
Max Marks : 80 Total Pages : 3

**N.B.:**

- 1) All questions are **COMPULSORY**.
- 2) All questions carry **EQUAL** marks.
- 3) Answers to both the sections should be written in **SAME** answer book.
- 4) Use of calculator is allowed.

**SECTION-I**

**Q.1** Answer **ANY FOUR** of the following:

- a) Causes of Labour Turnover
- b) Meaning and Methods of Time Keeping
- c) Overtime
- d) Financial and Non-financial Incentives
- e) Machine Hour Rate
- f) Functional Classification of Overheads

**Q.2** From the following information you are required to calculate wages payable to Mr.A & Mr.B under

- a) Time Rate System
- b) Piece Rate System
- c) Taylor's Differential Piece Rate System-

Standard time allowed:10 units per hour

Normal wage rate Rs.20 per hour

Differential Piece Rates applicable are – A. 80% of Piece Rate for below standard.

B.120% of piece Rate at or above standard.

Actual production in a day of 8 hours; Mr.A 70 units and Mr. B 90 units.

**OR**

A company has four production departments I, II, III, IV and two service departments Transport and Power Supply. The particulars of expenses of the respective departments are as follows:

**Production Departments** I-Rs.1000, II- Rs. 900, III-Rs. 800, IV, Rs. 700

**Service Departments** Transport- Rs.550, Power Supply- Rs.380

The service department expenses are charged on a percentage basis as given below-

	Production Departments				Service Departments	
	I	II	III	IV	Transport	Power supply
Transport Department	10%	30%	20%	20%	--	20%
Power supply	30%	20%	30%	10%	10%	--

Using the above particulars apportion the service department costs to various production departments under Repeated and Simultaneous equation methods.

**P.T.O.**

## SECTION-II

- Q.3** V.M.Jog Constructions Ltd. gives you the following information in respect of a contract for construction of a bridge for the year ended 31.12 2014. The contract was for Rs. 72,00,000/- . The details of the contract for the year ended 31.12.2014 are as follows:

Particulars	Rs.
Plant installed at site	3,60,000
Labour charges	20,40,000
Materials issue to contract	20,16,000
Direct expenses	48,000
General overheads	1,92,000
Outstanding labour charges as on 31.12.14	16,800
Stock of materials as on 31.12 2014 at site	24,000
Outstanding direct expenses as on 31.12.2014	7,200
Work uncertified	84,000
Cash received (80 % of work certified)	36,00,000

The life of the plant is six years and its scrap value is Nil. You are required to prepare Contract Account, Contractee Account and Value of Work in Progress for the year ended 31.12.2014.

OR

Define the term 'Job Costing'. What are its merits and demerits?

- Q.4** In a factory the product passes through two processes A & B. The normal loss of 5% is allowed in process A and 2% in process B. Nothing being realized by disposal of wastage  
During the month o March 2015, 10000 units of material costing Rs.6/- per unit were introduced in process A. The other cost were

Particulars	Process A	Process B
Materials	---	Rs. 6140
Labour	Rs. 10000	Rs. 6000
Overheads	Rs. 6000	Rs. 4600
Output	9300 units	9200 units

You are required to show:

- Process 'A' Account
- Process 'B' Account
- Abnormal Loss Account
- Abnormal Gain Account

OR

Explain in detail different types of losses in Process Account

P.T.O.

**Q.5** From the following particulars you are required to calculate Cost per running kilometer of Tata Truck.

Particulars	
Annual kilometers run	20,000
Cost of the truck Rs.	10,00,000
Annual road license Rs.	20,000
Annual insurance Rs.	15,000
Annual garage rent Rs.	24000
Annual salaries and supervision Rs.	1,20,000
Driver's wages per hour Rs.	60
Cost of fuel per litre Rs.	72
Kilometers run per litre	20
Tyre allocation per kilometer Rs.	0.95
Repairs and maintenance per kilometer Rs.	1.25
Estimated life of the vehicle in kms	10,00,000

Charge interest at 12% per annum on the cost of the truck. The truck runs 40 kilometers per hour on an average.

**OR**

Write short notes on **ANY FOUR** of the following:

- a) Work certified and work uncertified.
- b) Abnormal gain
- c) Ascertainment of profit in case of uncompleted contracts.
- d) Distinction between Job Costing and Contract Costing.
- e) Idle Time
- f) Vehicle Log Book

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