



SE – 425

IV Semester B. Voc. Examination, September 2020
(CBCS) (2017-18 and Onwards) (Repeaters)
RETAIL MANAGEMENT
4.2 : Cost Accounting

Time : 3 Hours

Max. Marks : 70

Instruction : Answer *all* questions in **English only**.

SECTION – A

Answer **any 5** of the following, **each** sub-question carries **2** marks **each**. (5×2=10)

1. a) What do you mean by cost ?
- b) What are the constituents of prime cost ?
- c) What is EOQ ?
- d) State the causes of idle time.
- e) Define overheads.
- f) What is abnormal gain ?
- g) What is meant by retention money ?

SECTION – B

Answer **any 3** of the following, **each** question carries **6** marks. (3×6=18)

2. State the causes and effects of labour turnover.
3. Explain the techniques of inventory system.
4. Following transactions relates to the receipts and issues of Material X.

Receipts :

01-03-2019 500 units @ ₹ 4.00 per unit.
12-03-2019 900 units @ ₹ 4.20 per unit.
23-03-2019 600 units @ ₹ 3.80 per unit.

Issues :

05-03-2019 – 400 units
15-03-2019 – 400 units
25-03-2019 – 700 units

Prepare stores ledger under weighted average method.

P.T.O.



5. Standard time allowed to complete a job is 30 hours, hourly rate is ₹ 25. A worker completes the job in 25 hours. Calculate his earnings under Halsey and Rowan plan.
6. Prepare the Process Account from the following details.
- | | | |
|----------------|---|--------------|
| Input in units | – | 1000 |
| Cost per unit | – | ₹ 100 |
| Normal loss | – | 10% of input |
| Output | – | 950 units |

SECTION – C

Answer **any 3** of the following, **each** question carries **14** marks. **(3×14=42)**

7. What is Cost Accounting ? Briefly explain the objectives, merits and limitations of Cost Accounting.
8. Product X is obtained after it passes through three distinct processes. The following information is obtained from the accounts for the month of January 2019.

Particulars	Total (Rs.)	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)
Direct Materials	7,542	2,600	1,980	2,962
Direct Wages	9,000	2,000	3,000	4,000
Production Overheads	9,000			

1,000 units at ₹ 3 per unit were introduced to Process I. Production overhead is recovered at 100% of direct wages. The following additional data are obtained.

Process	Output during the month (units)	Normal loss to input	Scrap value per unit (Rs.)
I	950	5%	2
II	840	10%	4
III	750	15%	5

Prepare Process Accounts.



9. Aditya Builders undertook a Contract for ₹ 75,00,000 on an agreement that 80% of the work certified should be paid immediately. The details of the contract are as follows :

Particulars	2016	2017	2018
	₹	₹	₹
Materials	9,00,000	11,00,000	6,30,000
Wages	8,50,000	11,50,000	9,50,000
Carriage	30,000	1,15,000	—
Cartage	5,000	10,000	30,000
Sundry Expenses	15,000	20,000	15,000
Work certified	18,75,000	75% of contract price	30 th November Whole contract was completed
Work uncertified		1,00,000	—

Prepare Contract Account for three years.

10. The following details are available from the books of a company for the year 2018.

	₹
Raw materials consumed	3,00,000
Direct wages	2,00,000
Factory overheads	1,20,000
Office and administration overhead	1,24,000
Selling and distribution overhead	62,000
Sales	9,00,000

The company is about to send a tender for a large plant. The estimated cost of materials and wages would be ₹ 50,000 and ₹ 30,000 respectively. Tender is to be prepared by keeping a profit of 20% on the selling price.

Works overhead is recovered as a percentage of direct wages, office overheads and selling and distribution overhead as a percentage of works cost.

Prepare Cost Sheet for the year 2018 and statement of cost for 2019.



11. Prepare the Stores Ledger using the LIFO (Last In First Out) method of pricing of material issues for the month of December 2018.

Date	Transaction	Units	Cost per unit (₹)
Dec. 1	Balance in hand b/f	300	2.00
Dec. 2	Purchased	200	2.20
Dec. 4	Issued	150	—
Dec. 10	Purchased	200	2.30
Dec. 14	Issued	150	—
Dec. 20	Issued	200	—
Dec. 24	Purchased	200	2.40
Dec. 27	Issued	150	—

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