

VIDYASAGAR METROPOLITAN COLLEGE
INTERNAL EXAMINATION 2020
BCom Part-II (Hons)
COST AND MANAGEMENT ACCOUNTING

Answer any two questions:

25 x 2 = 50

1. From the following calculate the total monthly remuneration of each worker: (i) Standard production per month per worker 1,000 units (ii) Actual production during a month : A (850units),B(720 units), C(960units) (iii) Piece rate per unit of actual production 20 paisa (iv) Dearness wages RS.50 per month(Fixed) (v) House rent allowance Rs.20 per month(fixed) (vi) Tiffin allowance Rs.20 per month (fixed) (vii) Additional production bonus at the rate of Rs.5 for each percentage of actual production exceeding 80% of the standard. (25)

2. (a) what do you mean by recovery or absorption of overhead? Mention some commonly used methods of absorption. (b) Compute machine hour rate of a machine in a shop consisting of three machines equal floor space. Estimated working hours per annum is fixed at 2,500 hours in which normal idle time is 20% of the standard time. Shop rent per annum Rs.3,600, Shop electricity per month Rs.200, Repairs for the machine per annum Rs.600, Power rate for 100 units Rs.3(machine consumes 10 units per hour), Foreman's salary for supervising all the machines per month Rs.750 , Indirect labour cost Rs.2 per hour for the machine. The machine costs Rs.1, 30,000 and scrap value is Rs.10, 000 and estimated life is 10 years. The foreman devotes equal attention to each machine in the shop.

(10+15)

3. Following amounts have been spent in respect of a contract: (all figures are in terms of rupees) : materials sent 85,349,labour 74,375,plant installed 15,000,direct expense 3,167,establishment charges 4,126,materials returned 549,work certified 1,95,000, cost of work not yet certified 4,500, materials in hand(closing) 1,883, wages due at end 2,400, direct expense due at end 240,value of plant(closing)11,000.Contract price 2,50,000 and cash received 1,80,000. Prepare contract a/c. (25)

4. (a) Define breakeven point, margin of safety. What are the features of marginal costing? (b) Consider the following data: sales Rs. 5,70,000, variable costs Rs. 3,80,000, fixed costs Rs.1,80,000. Assuming no change in sales price or in the ratio of v.cost to sales or in fixed cost ,compute (i) bep sales, (ii) sales required to earn a profit of Rs25,000 (iii) amount of profit when sales is Rs. 7,20,000. (10+15)
