

Total No. of printed pages = 9  
**4 (Sem-1) CAC M1**

**2018**  
**COST ACCOUNTING**

Paper : 1.5  
**(Accountancy Major)**

Full Marks - 80  
Pass Marks - 24

Time - Three hours

The figures in the margin indicate full marks for the questions.

1. Answer the following as directed :  $1 \times 10 = 10$
- (a) Material is the \_\_\_\_\_ element of cost. (Fill in the blank)
  - (b) A job is a small contract and a contract is a big job. (State whether the statement is true or false)
  - (c) Cost is a \_\_\_\_\_ and price is a \_\_\_\_\_. (Fill in the blanks)

[Turn over



(d) Abnormal gain appears on the credit side of the Process Account. (State whether the statement is true or false.)

(e) Which method of valuing materials is suitable in times of rising prices?

- (i) LIFO
- (ii) FIFO
- (iii) HIFO
- (iv) FILO

(f) Cost Ledger Control Account always has a credit balance. (State whether the statement is true or false)

(g) The change in costs due to changes in the method of production is known as \_\_\_\_\_. (Fill in the blank)

(i) Marginal cost

(ii) Replacement cost

(iii) Differential cost

(iv) Opportunity cost.

(h) Overhead is the aggregate of \_\_\_\_\_ and \_\_\_\_\_. (Fill in the blanks)

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(i) Wage sheet is prepared by the

(i) Personal department

(ii) Pay-roll department

(iii) Cost accounting department

(iv) None of the above.

(Select the most appropriate one)

(i) VED stands for \_\_\_\_\_. (Fill in the blank)

2. Answer the following questions :  $2 \times 5 = 10$

(a) What is meant by Cost Accounting ?

(b) State the meaning of Motion Study in labour costing.

(c) What is Inter-locking system ?

(d) State two important features of Process costing.

(e) What is meant by absorption of overheads ?

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3. Answer any *four* of the following questions :  
5×4=20

(a) State the essential pre-requisites of Integrated Accounting System.

(b) The following information relate to the manufacturing of a standard product during April, 2017 :

Raw materials : Rs. 20,000

Direct labour : Rs. 10,000

Machine hour rate : Rs. 5

Machine hours worked : 900 hours

Administrative overheads : 20% of works cost

Selling overheads : Rs. 50 per unit

Units produced : 17,100 units

Units sold : 16,000 units

Sale price : Rs. 4 per unit.

You are required to prepare statement of cost showing cost and profit per unit sold.

(c) Cost accounting vs Financial accounting.

(d) State the needs for reconciliation of cost and financial accounts.

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(e) Write short note on Economic Order Quantity (EOQ).

(f) A factory has 8 hours – 6 days a week. An employee takes 8 hours to do a job on daily wages basis and 6 hours under incentive plan. His day rate is Rs. 2 per hour.

Calculate his wages to be charged to the job under :

(i) Piece work plan

(ii) Halsey plan

(iii) Rowan plan

(g) Distinguish between under-absorption and over-absorption of overheads.

4. (a) How is profit on an incomplete contract brought into account? 5

(b) What is meant by Cost-plus contract? 5

Or

Product 'X' is obtained after it passes through two distinct processes. 1,000 units at Rs. 3 each were introduced to process I. There was no stock of materials or work-in-progress at

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