

2024

**COST AND MANAGEMENT ACCOUNTING - I — HONOURS****Paper : CC-2.1 CH****Full Marks : 80***The figures in the margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.***Group - A****(Marks : 20)**

1. What is a cost-centre? Discuss main two purposes of cost-centre. 2+3
2. Mention the unit of cost for the following Industries : 5
  - (i) Transport
  - (ii) Toy making
  - (iii) Sugar
  - (iv) Power generation
  - (v) Brick works.
3. (a) State the need for pre-determined overhead in factory.
- (b) Distinguish between Cost Allocation and Cost Apportionment. 2+3

**Or,**From the following data, calculate the machine hour rate of a Milling Machine : 5

Cost of Machine	₹ 3,00,000
Scrap value	₹ 25,000
Estimated life	10 years
Effective working days	200 days of 8 hours 100 days of 6 hours
Maintenance & Repairs	7.5% of capital cost
Store consumed	₹ 10,000
Supervision Expenses	₹ 75,000
Power Consumption	₹ 20 per operating hour
Insurance Premium	1% of capital cost
Idle-time estimated	10%.

4. How would you estimate profit on incomplete contract for a particular year? 5

*Or,*

- How would you attribute overhead costs to jobs? 5

**Group - B**

**(Marks : 30)**

5. Following information relating to a type of raw material is available :

Annual Demand	24,000 units
Unit Price	₹ 24
Ordering cost per order	₹ 40
Storage cost	2% p.a.
Interest rate	10% p.a.
Lead time	½ month

Calculate EOQ and total inventory cost in respect of the raw materials. 5+5

6. (a) What do you mean by idle-time? 5  
 (b) Mention the causes of idle-time. 3  
 (c) How idle-time cost may be treated in cost accounts? 2+3+5

*Or,*

The normal working hours per week are fixed at 46 hours in a factory. The time-card of a worker showed that during a week he actually worked 42 hours [including 4 (four) hours overtime] and he remained idle for 5 hours due to machine breakdown. Normal rate of wage per hour is ₹ 40. Overtime rate is 150% of normal wage rate.

Calculate total wages payable to the worker and also show how the total amount shall be treated in Cost Accounts. 10

7. (a) What is Cost Ledger? 5  
 (b) State the advantages of maintaining a cost ledger. 3  
 (c) Why is reconciliation necessary between financial accounting and cost accounting? 2+3+5

(3)

A(2nd Sm.)-Cost &amp; Mgmt. Acct.-I-H/CC-2.1CH/CBCS

Or,

The Trading and Profit & Loss A/c of XYZ Ltd. for the year ended 31st March, 2024 were as follows :

	₹		₹
To Purchases	21,000	By Sales	71,500
” Direct wages	10,000	” Closing stock	1,000
” Factory Overheads	12,000		
” Gross profit c/d	29,500		
	72,500		72,500
To Office Expenses	5,000	By Gross profit b/d	29,500
” Selling & Distribution Expenses	8,000		
” Depreciation	1,000		
” Net profit	15,500		
	29,500		29,500

The following information was available from the cost accounts of the organisation :

- Closing stock of goods — ₹ 2,000.
- Factory overhead was applied @ 150% of direct wages.
- Office, Selling & Distribution expenses were 10% on sales.
- Depreciation charged ₹ 2,400.

You are required to reconcile the profit of financial accounts with cost accounts.

10

### Group - C

(Marks : 30)

8. A transport operator runs two buses between two cities, the distance between two cities being 100 kms. Each bus has seat capacity of 50 and actual passengers carried were 80% of the capacity. Each bus makes one-round trip everyday and 30 days in the month.

Other details for the month :	₹
Wages of drivers and conductors	18,000
Salaries of office staff	7,000
Road tax and Insurance	10,500
Diesel, oil etc	28,000
Repairs and Maintenance	5,000
Cost of each bus (depreciation @ 10% p.a.)	7,00,000
Interest and other charges	14,000

Calculate cost per passenger-kilometer.

15

Please Turn Over

Or,

A product passes through three processes. The output of each process is treated as the raw material for the next process. The expenses incurred during a period were as under :

	Process A (₹)	Process B (₹)	Process C (₹)
Material	20,000	10,000	5,000
Labour	3,000	2,000	500
Overheads	1,500	5,000	7,500

5000 units were issued to the Process A and after processing, the output of each process is as under :

	Output (units)	Normal Loss (%)
Process A	4,850	2%
Process B	4,700	10%
Process C	4,465	5%

No stock of material or work-in-progress was left at the end. Prepare Process A A/c, Process B A/c, Process C A/c, Abnormal Loss A/c and Abnormal Gain A/c. 15

9. XYZ Ltd. has three production departments— X<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub> and two service departments— S<sub>1</sub> and S<sub>2</sub>. The following figures are extracted from the records of the company :

	₹					
	X <sub>1</sub>	X <sub>2</sub>	X <sub>3</sub>	S <sub>1</sub>	S <sub>2</sub>	
Rent and Rates				50,000		
Power				15,000		
Depreciation of Machine				10,000		
Canteen Expenses				6,500		
Lighting Expenses				6,000		
Sundry Expenses				10,000		
Floor area (sq. ft)	2000	2500	3000	2000	500	
No. of light points	10	15	20	10	5	
No. of Employees	25	20	10	5	5	
Direct wages (₹)	3000	2000	3000	1500	500	
Indirect wages (₹)	250	500	100	250	150	
H.P. of machines	60	30	50	10	—	
Value of machines (₹)	60,000	80,000	1,00,000	5,000	5,000	
Production hours	2000	2500	3000	—	—	

( 5 )

*A(2nd Sm.)-Cost & Mgmt. Acct.-I-H/CC-2.1CH/CBCS*

Expenses of Service departments  $S_1$  and  $S_2$  are apportioned as below :

	$X_1$	$X_2$	$X_3$
$S_1$	2	2	1
$S_2$	2	1	2

You are required to compute overhead absorption rate per production hour of each department.