

Total No. of printed pages = 4

**BA 172207**

27/7/22

Roll No. of candidate

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**2022**

BINA CHOWDHURY CENTRE - LIBRARY  
(GIMT & CIPS)  
Azara, Hatkhowapara,  
Guwahati - 781017

**M.B.A. 2<sup>nd</sup> Semester End-Term Examination**

**COST AND MANAGEMENT ACCOUNTING**

**(New Regulation)**

Full Marks – 70

Time – Three hours

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

Answer question No. 1 and any *four* from the rest.

1. State true or False : (10 × 1 = 10)
- (a) The materials which can be easily identified and attributable to the individual units being manufactured are known as direct materials.
  - (b) Carriage outward is charged to Cost of Raw Material Consumed.
  - (c) Works or Factory Cost = Prime Cost + Works or Factory Overheads.
  - (d) Overheads are all indirect cost related to production.
  - (e) Process costing is a cost accounting technique, in which the costs incurred during production are charged to processes and averaged over the total units manufactured.
  - (f) While determining EOQ, the ordering cost per order and carrying cost per unit per annum are assumed to be known and they are fixed.
  - (g) A Stores Ledger A/c is maintained by the factory manager in the factory to track the issues and receipts of materials.
  - (h) Carrying cost means the cost of holding the materials.
  - (i) Salary paid to the supervisor of the machine is treated as standing charges while computing Machine Hour Rate.
  - (j) Abnormal loss is the loss beyond the normal loss.

[Turn over



2. (a) From the following particulars relating to the production and sales for the year ended for the year ended 31.3.2022, prepare a cost sheet showing. (10)
- Raw material consumed,
  - Prime Cost,
  - Works Cost,
  - Cost of Production,
  - Cost of goods sold,
  - Cost of Sales and
  - Profits for the year.

Particulars	Amount (Rs)
Stock of material on 1.4.2021	18,000
Work-in-progress on 1.4.2021	23,000
Finished goods at cost on 1.4.2021 (18000 units)	64,000
Purchase of raw material	1,60,000
Freight on raw-material purchased	4,000
Chargeable expenses (Direct)	40,000
Normal loss of material	2,000
Factory expenses	80,000
Direct Labour	1,50,000
Administrative expenses	Rs. 4 per unit
Selling expenses	Rs. 3 per unit
Distribution expenses	30,000
Sales of finished goods (58000 units)	8,00,000
Raw material as on 31.3.2022	25,000
Work-in-progress on 31.3.2022	22,000
Stock of finished goods on 31.3.2022	20,000 units

(Apply FIFO Basis)

- (b) Write the difference between Cost Accounting and Management Accounting.

(5)



3. (a) Amarshiyam Co. Ltd buys quarterly 9000 units at a unit cost of Re. 1/- each. Ordering Cost is Rs 25. The inventory carrying cost is 10% of the average inventory. Find out the optimum order size (EOQ) and also calculate the total inventory cost. (5)

(b) The following information are provided to you related to a store for the month of January-

2022

Jan 1. Opening balance of material- 8,000 units @ Rs 4.30

Jan 4. Purchased 1000 units @ 4.45 each

Jan 9. Issued 4,000 units

Jan 11. Purchased 12,000 units @ Rs 5.15 per unit

Jan 18. Issued 8,000 unit

Jan 22. Issued 4,000 units

Jan 25. Purchased 9,000 units @ Rs 5.65 per unit

Jan 31. Issued 6000 units

From the above information prepare a Stores Ledger Account and calculate the value of closing stock under FIFO and LIFO. (5+5=10)

4. (a) The following are the particulars extracted from a factory of Jagirod related to a week in the month of January, 2022 of two workers.

	Worker X	Worker Y
Time Taken (weekly in hours)	45 Hours	42 Hours
Units Produced (weekly)	140 Units	132 Units

Standard time allowed per day is 8 hours assuming 6 days per week of working. Rate per hour for both the employees @ Rs 6. Time required to produce 1 article is 20 minutes.

Calculate the wages under Time Rate System, Piece Rate system, Halsey Premium Bonus Plan and Rowan Premium Bonus Plan. (5+5=10)

(b) Discuss the various elements of cost. (5)

5. (a) Calculate the Machine Hour Rate (MHR) from the following data:

Cost of machine Rs. 20,000, Cost of installation Rs. 5000, Scrap value after 5 year Rs. 3000, Rates and rent for a quarter for the shop Rs. 600, General lighting Rs. 200 per month, Shop supervisor's salary Rs. 1000 per quarter, Estimated repairs Rs. 800 per annum, Power (4 units per hour @ Rs .09) 100 units, Insurance premium for the machine Rs 1,200, Estimated working hours - 2000 hours per annum.

The machine occupies 1/5th of the total area of the shop. The supervisor is expected to devote 1/4th of his time for supervising the machine. General lighting expenses are to be apportioned on the basis floor area occupied. (10)

(b) Discuss the advantages of Cost Accounting. (5)



6. (a) Prepare necessary accounts from the following details of Process A and Process B:

Particulars	Process A	Process B
Additional Materials	Rs 10000	Rs 7000
Labour	Rs 20000	Rs 21000
Overheads	Rs 9000	Rs 8000
Input (units)	20000	17000
Normal Loss	10%	5%
Sales of waste per unit	Rs. 1.00	Rs. 2.00

Material issued to Process A is 20000 units @ Rs 2 per unit. There are no opening and closing stocks or work-in-progress. Final output from process 'B' was 16550 units. (5+5=10)

- (b) "Process costing is the method for collecting and assigning manufacturing costs to the units produced through continuous processes" - Explain. (5)
7. (a) Discuss the FIFO and LIFO Methods of material issue along with their merits and demerits. (4+6=10)
- (b) Discuss the process of determining the profit of an incomplete contract. (5)