

# Cost Accounting Past Papers B.Com Part 2 | 2010

## Punjab University

### QUESTION PAPER 2010

**Time Allowed: 3 hours**

**Max Marks: 100**

Attempt any FIVE questions from the following. All questions carry equal marks.

- Q.1 Explain the scope of cost accounting.  
Q.2 Give a comprehensive list of expenses included in Factory overhead.  
Q.3 The books and record of Khyber Manufacturing Company present the following data for the month of February.

Direct labour cost	Rs. 16,000 (160% of F.O.H)
Cost of goods sold	Rs. 56,000

Inventory accounts showed the following opening and closing balances:

Particulars	Feb. 1	Feb. 28
Raw materials	8,000	8,600
Work in process	8,000	12,000
Finished goods	14,000	18,000

**Other Data:**

Marketing expenses @ 5% of sales.  
General & administrative expenses @ 10% of sales  
Sales for the month Rs. 75,000

**REQUIRED:**

An income statement with supporting schedule of Cost of Goods Manufactured & Sold.

- Q.4 The Babar Company uses both a Factory Ledger and a General Ledger. It records its costs under job order cost system. The following transactions took place during the month of July 2009:
- (i) Materials purchased and delivered directly to production (without going to store room), which was used as follows:

Direct Materials	Rs. 2,800	
Indirect Materials	Rs. 500	Rs. 3,300

- (ii) Labour cost charged to production during the month as follows:

	Rs.
Direct labour cost	20,000
Indirect labour cost	5,000



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Q.6 Faizan & Co. manufactures appliances to be sold to an automobile industry. An order of 1,200 appliances was received at a sales price of Rs. 200 per unit. The cost per unit was as follows:

Material cost	Rs. 32,000
Labour cost	Rs. 42,000
Factory overhead cost	Rs. 22,000

On completion of the order, it was found that 100 units were imperfect and spoiled and could only be sold out at a price of Rs. 48 per unit to a small manufacturing company which would repair and sell them under their own decided to sell 100 spoiled units to this company at a price of Rs. 48 each

### **REQUIRED:**

Prepare all necessary journal entries to record the following:

- (i) Putting the 1,200 units into process.
- (ii) Placing the spoiled units in the inventory.
- (iii) Completion and sale for cash 1,100 good units.
- (iv) Sale for cash of the 100 spoiled units.

Use three work in process accounts and assume that:

- (a) Cost of spoilage is spread over entire production of the period.
- (b) Cost of spoilage is charged to the job on which it occurred.

Q.7 Normal operating capacity of a company's power plant is estimated to be 4,750,000 kilowatt-hours per month. At this level of activity fixed overhead is estimated to be Rs. 171,000 and variable overhead Rs. 209,000. During November, the power plant produced 5,000,000 kilowatt-hours. Actual overhead for the month totaled Rs. 393,000.

### **REQUIRED:**

- (a) Over or under applied overhead (Carry all computations to three decimal places)
- (b) Spending variance and idle capacity variance.

Q.8 The following information's relate to payroll department of ABC Co. Using this information, you are required to compute.

- (i) The wages earned by the workers.
- (ii) Cross wages payable under the following wage payment plans.

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Particulars	Workers		
	A	B	C
Time allowed for 100 units	23 hours	32 hours	38 hours
Wage rate per hour	Rs. 12.50	Rs. 10.00	Rs. 11.50
Time taken	40 hours	42 hours	39 hours
Units produced	220 units	150 units	125 units

- (i) Piece work with guaranteed wages.
- (ii) Hourly rate.
- (iii) Premium plan in which  $\frac{2}{3}$ <sup>rd</sup> of the time saved is paid to the workers.