



UNIVERSITY OF NORTH BENGAL
B.Com. Honours 4th Semester Examination, 2020

CC8-COMMERCE

COST ACCOUNTING

Full Marks: 60

ASSIGNMENT

*The figures in the margin indicate full marks.
All symbols are of usual significance.*

Answer any three questions from the following

20×3 = 60

1. What are the causes of Labour turnover? Do you agree that the recent 'COVID' 19 has increased the Labour turnover? If so, explain in detail. 20
2. (a) Write the main advantages of Cost Sheet. 8
(b) Prepare a statement of cost by using imaginary figures, and find out the selling price when Management have decided to earn a profit of 20% an selling price. 12
3. A Ltd. produces product AXE which passes through two processes before it is completed and transferred to finished stock. The following data relate to September, 2019: 10+10

Particulars	Process		Finished Stock Rs.
	I (Rs.)	II (Rs.)	
Opening Stock	7,500	9,000	22,500
Direct-Materials	15,000	15,750	
Direct Wages	11,200	11,250	
Factory Overhead	10,500	4,500	
Closing Stock	3,700	4,500	11,250
Inter-process Profit	1,500	8,250	

Output of Process-I is transferred to Process-II at 25% profit on transfer price.

Output of Process-II is transferred to finished stock 20% profit on the transfer price. Stock in process is valued at prime cost. Finished stock is valued at the price at which it is received from Process-II. Sales during the period are Rs. 1,40,000.

Prepare Process Cost Accounts and Finished Stock Account showing the profit elements at each stage.

4. (a) Two business, Y Ltd. and Z Ltd. sell the same type of product in the same type of market. Their budgeted profit and loss accounts for the coming year are as follows: 5+5+5

	Y Ltd.	Z Ltd.
	(Rs.)	(Rs.)
Sales	1,50,000	1,50,000
<i>Less</i> Variable cost	1,20,000	1,00,000
Contribution	30,000	50,000
<i>Less</i> Fixed cost	15,000	35,000
Budgeted N.P.	15,000	15,000

You are required to (a) Calculate the break even point of each business, (b) Calculate the sales volume at which each of business will earn Rs. 5,000 profit, (c) Calculate at which sales volume of both the firms will earn equal profit.

- (b) Distinguish between contribution and profit. 5

5. (a) ABC company Ltd. buys a lot of 500 packets which is one month supply. The ordering cost per order is Rs. 225 and the cost per packet is Rs. 150. The Inventory carrying cost is estimated at 20% of unit value per annum. 6+6

You are required to ascertain:

- (i) What is the total annual cost of the existing inventory policy (including the buying cost of inventory)?
 (ii) How much money would be saved by employing that EOQ?

- (b) Calculate the earnings of workers M, N and O under Straight Piece Rate System and Merrick's Multiple Piece Rate from the following particulars: 4+4

Normal Rate per hour	Rs. 5.40
Standard time per unit	1 minute

Output per day:

Worker M	390 units
Worker N	450 units
Worker O	600 units

Working hours per day are 8

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