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(Department of Distance Education)

T.Y. B.Com Home Assignment – May 2013-14

Subject: Cost & Works Accounting-II

Subject Code: - C- 315

Instructions:

1) All questions carry equal marks (16 marks each)
2) Attempt any 5 questions

1. What is the meaning of Overhead absorption? What are the different methods of overhead absorption?

2. What is the meaning of cost centre and cost unit? Explain different types of cost centres and cost units.

3. Explain various methods of costing

4. Pragati Co. Ltd has four departments P, Q, R, S. This are production departments and M is service department. The actual costs for the period are as follows.

   Rent  20000
   Repair  12000
   Depreciation  9000
   Light  2000
   Supervision  30000
   Insurance of stock  10000
   Employee insurance  3000
   Power  18000

The following data is available in respect of four departments

<table>
<thead>
<tr>
<th>PARTICULAR</th>
<th>P</th>
<th>Q</th>
<th>R</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area Sq. feet</td>
<td>150</td>
<td>110</td>
<td>90</td>
<td>50</td>
</tr>
<tr>
<td>Number of workers</td>
<td>24</td>
<td>16</td>
<td>12</td>
<td>8</td>
</tr>
<tr>
<td>Value of plant</td>
<td>240000</td>
<td>180000</td>
<td>120000</td>
<td>60000</td>
</tr>
<tr>
<td>Value of stock</td>
<td>150000</td>
<td>90000</td>
<td>60000</td>
<td></td>
</tr>
<tr>
<td>Total wages</td>
<td>80000</td>
<td>60000</td>
<td>40000</td>
<td>20000</td>
</tr>
<tr>
<td>Killowatt</td>
<td>4800</td>
<td>3600</td>
<td>2400</td>
<td>1200</td>
</tr>
</tbody>
</table>

Apportion cost on appropriate basis.
5. A product process through 4 processes W, X, Y, Z before a final product is produced. The details are as follows.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Process W</th>
<th>Process X</th>
<th>Process Y</th>
<th>Process Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw material used in each process</td>
<td>1000</td>
<td>2000</td>
<td>2000</td>
<td>5000</td>
</tr>
<tr>
<td>Cost per each unit of raw material</td>
<td>2.5</td>
<td>3.5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Wages per process</td>
<td>2000</td>
<td>3000</td>
<td>2500</td>
<td>8376</td>
</tr>
<tr>
<td>Other expenses</td>
<td>1000</td>
<td>1500</td>
<td>1300</td>
<td>2600</td>
</tr>
<tr>
<td>Normal loss</td>
<td>5%</td>
<td>10%</td>
<td>20%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Prepare process account for each process.

6. Calculate the running cost of a taxi per kilometer from the following information.

<table>
<thead>
<tr>
<th>particulars</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of taxies</td>
<td>10</td>
</tr>
<tr>
<td>Cost of each taxi</td>
<td>5,46,000</td>
</tr>
<tr>
<td>Salary per month</td>
<td></td>
</tr>
<tr>
<td>1. manager</td>
<td>7,000</td>
</tr>
<tr>
<td>2. cleaner</td>
<td>2,000</td>
</tr>
<tr>
<td>3. Accountant</td>
<td>5,000</td>
</tr>
<tr>
<td>4. Mechanics</td>
<td>4,000</td>
</tr>
<tr>
<td>Salary per month per taxi</td>
<td>3,500</td>
</tr>
<tr>
<td>Garage rent per month</td>
<td>6,000</td>
</tr>
<tr>
<td>Insurance premium 5% per annum</td>
<td></td>
</tr>
<tr>
<td>Annual tax</td>
<td>9,000</td>
</tr>
<tr>
<td>Annual repair</td>
<td>12,000</td>
</tr>
<tr>
<td>Oil and other expenses</td>
<td>Rs. 105 per 100 kms</td>
</tr>
<tr>
<td>Depreciation per annum per taxi</td>
<td>Rs. 12,000</td>
</tr>
<tr>
<td>Petrol consumption is 1 litre for every 10 kms. Rs. 75 per litre</td>
<td></td>
</tr>
</tbody>
</table>