

TILAK MAHARASHTRA VIDYAPEETH

(Department of Distance Education)

T.Y B.Com Home Assignment – May 2011-12

Subject: Cost & Works Accounting - II

Subject Code:- C-309

Instructions:

- 1) All questions carry equal marks (16 marks each)**
- 2) All questions are compulsory**

1. Define the term 'Overheads'. Explain the method of classification overheads.

2. Write short notes on (any 4)

1. Fixed overheads and Variable overheads
2. Production Department and Service Department
3. Methods of Costing
4. Advantages of Job Costing
5. Features of Contract Costing
6. Service Costing

3. From the following particulars relating to a machine, calculate Machine Hour Rate.

1. Original Cost of the Machine	Rs. 19,000
Carriage and freight paid on purchase of machine	Rs. 1,200
Residual Value of machine after ten years	Rs. 200
Estimated Life	10 years

In a year of 50 weeks the machine is operated for 48 hours, which includes 300 hours towards machine maintenance down-time and 100 hours towards setting-up time.

2. Electric Power used by the machine is 6 units per hour @Rs. 5 per 100 units.
3. Repairs and Maintenance Rs. 75 per month.

4. Two operators attend the machine during operation along with three other machines, their total wages including fringe benefits amounted to Rs. 800 per month.
 5. General Overheads attributable to this machine Rs. 600 per year.
4. Reliable Constructions Ltd., Raipur undertook a contract of Rs. 8,00,000 for the construction of a sports Gymkhana on 1st April 2010. The following information is taken up from the contract ledger as on 31-3-2011 in respect of the above.

	Rs.
Materials directly issued from stores	1,30,000
Materials purchased	70,000
Scrap materials sold	8,000
Materials transferred to other contract	10,000
Materials in hand on site	11,000
Materials returned to stores	6,000
Direct Wages paid and payable	85,000
Direct charges	45,000
Overheads charged to contract	40,000
Sub-contract cost	9,000
Cost of additional work	3,400
Outstanding direct expenses	1,600
Plant purchased on 1-4-2010 and issued directly	80,000
Annual depreciation on Plant	8,000
Plant transferred on 1-4-2010 to other contract	40,000
Cash received being 90% of Work Certified	3,60,000
Uncertified Work being 8% of certified work	

You are required to prepare i) Contract Account and ii) Contractee's Account.

5. What are 'Joint Product' ? Explain briefly the methods used in the accounting for joint Product.

6. From the following data relating to the vehicle, of Ghatge Patil Transport Co, Kolhapur calculate the cost per running kilometer.

	Rs.
Cost of Vehicle	1,00,000
Road Licences Fees(annual)	5,100
Garage Rent(annual)	4,800
Insurance Charges(annual)	2,100
Supervision and salary (annual)	12,000
Drivers Wages per hour	2.00
Cost of Diesel per litre	4.00
Repairs and Maintenance per km	2.20
Tyres and Batteries per km	1.80
Kilometers run per litre 20 km	
Kilometers run annual 20,000 km	
Estimated Life of the vehicle 1,00,000 km	

You are required to charge Interest on Cost of Vehicle @ 10% p.a. the vehicle runs 20km per hour on an average :