

Bachelor of Commerce

B.Com

CHOICE BASED CREDIT SYSTEM

BCOC – 138: COST ACCOUNTING

ASSIGNMENT

2021-2022

Valid from 1st January 2022 to 31st December 2022

Fourth Semester



School of Management Studies

Indira Gandhi National Open University

Maidan Garhi, New Delhi -110068



**BACHELOR OF COMMERCE
CHOICE BASED CREDIT SYSTEM
BCOC – 138: COST ACCOUNTING**

ASSIGNMENT: 2021-22

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course. The assignment has been divided into three sections. Section A Consists of long answer questions for 10 marks each, Section B consists of medium answer questions for 6 marks each and Section C consists of short answer questions for 5 marks each.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

1. Those students who are appearing in June 2022 Term End Examination they have to submit latest by in 15 March 2022.
2. Those students who are appearing in December 2022 exams. They have to submit the same latest by 15 October 2022.

You have to submit the assignment of all the courses to the Coordinator of your Study Centre.

TUTOR MARKED ASSIGNMENT

COURSE CODE	:	BCOC – 138
COURSE TITLE	:	COST ACCOUNTING
ASSIGNMENT CODE	:	BCOC – 138/TMA/2021-22
COVERAGE	:	ALL BLOCKS

Maximum Marks: 100

Note: Attempt all the questions.

Section – A

Q.1 Define cost accounting. What are its advantages? Enumerate the factors to be considered while installing a system of costing. (2+4+4)

Q.2 (i) From the following information, calculate: (10)
a) Re-ordering level
b) Minimum stock level
c) Maximum stock level

Re – order quantity	= 30,000 units
Time required for delivery	= 2-4 months
Maximum consumption	= 8000 units per month
Normal consumption	= 5000 units per month
Minimum consumption	= 3000 units per month

(ii) Calculate the minimum stock level from the following data:

Net normal consumption	= 400 units per week
Normal re-order period	= 5 weeks
Re-order level	= 3,500 units

Q.3 What is meant by incentives plans? What are the main features of incentive plans? Discuss prominent incentive plans. (2+2+6)

Q.4 Explain the importance of absorption. Discuss any four methods of absorption. (2+8)

Q.5 Compute the machine hour rate from the following data: (10)

	Rs.
Cost of machine	1,00,000
Installation charges	10,000
Scrap value after 15 years	5,000
Rent of the shop per month	200
General lighting for the shop per month	300
Insurance for the machine p.a	960

Repairs p.a.	1000
Power 10 units per hour	
Rate of power per 100 units	20
Shop supervisor salary p. m.	600
Estimated working hours p.a.	1000

The machine occupies one –fourth of total area of the shop. Supervisor devotes one-third of his time for this machine.

Section – B

- Q.6** Explain the concept of cost. How are costs classified? **(6)**
- Q.7** What are the advantages of material control? Outline its basic requirements. **(3+3)**
- Q.8** Explain different heads on the basis of which cost of materials is calculated. **(6)**
- Q.9** Explain the concept of overheads. How are they classified? **(2+4)**
- Q.10** Define contract costing. Explain its distinguishing features. **(2+4)**

Section – C

- Q.11** Distinguish between the following: **(10)**
- a) Centralized purchasing and decentralized purchasing
 - b) Direct and Indirect labour
 - c) Standing charges and variable charges of overheads
 - d) Joint products and by products
- Q.12** Write short notes on the following: **(10)**
- a) Service costing
 - b) Components of total cost
 - c) Inventory control
 - d) Preparation of cost sheet