



Progressive Education Society's
Modern College of Arts, Science & Commerce Ganeshkhind, Pune – 16
(Autonomous)
End Semester Examination: OCT / NOV 2024
Faculty: Commerce

Program : B.Com Semester: V SET : A
Program (Specific) : B.Com Course Type : Elective
Class : T.Y.B.Com Max.Marks : 50
Name of the Course: ACCOUNTING OF OVERHEAD COST Time : 2 Hours
Course Code: 24-COB 355(a)

Instructions to the candidate:

- 1) Write each question on separate page.
 - 2) All Questions are compulsory.
 - 3) Figures to the right indicate full marks.
 - 4) Use of calculator is allowed .
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Q1. (A) FILL IN THE BLANKS

(1X5=5)

- a) Blanket Overhead rate is the ----- rate of overhead absorption used in a factory.
 - i. Pre-determined
 - ii. single
 - iii. Multiple
 - iv. Actual
- b) If overheads absorbed for the period are Rs.50000 and actual overheads for the same period are Rs.60000 ,then Rs.10000 are ----- overheads.
 - i. Pre-determined
 - ii. under absorbed
 - iii. over absorbed
 - iv. Actual
- c) The allotment of proportions of items of cost to cost centers or cost units on suitable basis is known as -----of overheads.
 - i. apportionment
 - ii. absorption
 - iii. classification
 - iv. collection
- d) Under absorption of overhead due to machinery breakdown should be treated as -----
 - i. Carrying forward to next year
 - ii. Charging to Costing Profit & Loss a/c
 - iii. Using supplementary rate
 - iv. All of the above I
- e) -----classification of overheads is classified as variable, fixed and semi-variable overheads.
 - i. elementwise
 - ii. Behaviourwise
 - iii. naturewise
 - iv. controlwise

Q1. (B) STATE WHETHER TRUE OR FALSE**(1X5=5)**

- a) Fixed overheads are generally uncontrollable and normal.
- b) Cost Accounting and Financial Accounting are branches of Accounting.
- c) ABC system calculates the cost of individual department.
- d) Machine hour rate is one of the methods of apportionment of overheads .
- e) Lubrication oil is the example of Indirect material cost.

Q.2 WRITE SHORT NOTES ON (ANY 3)**(3X 5=15)**

- a) Elementwise classification of overheads
- b) Meaning and characteristics of Activity Based Costing
- c) Steps in Activity Based Costing
- d) Labour hour rate
- e) Causes of Under and over absorption of overheads

Q3 SOLVE THE FOLLOWING PROBLEM**(10)**

In Imagica Ltd., Indapur, overheads were recovered at a pre-determined rate of Rs.50 per man- day .The total overhead expenses incurred and the man-days actually worked were Rs.81,50,000 and 1,80,000 days respectively. Out of 60,000 units produced during the period, and 50,000 were sold .

On analyzing the reasons ,It was found that 60% of unabsorb overheads were due to defective planning and the rest is attributable to increase in overhead cost.

Show in detail the treatment of unabsorbed overheads in cost Accounts.

Q4. SOLVE THE FOLLOWING PROBLEM**(15)**

Pixel Ltd., Pune has 3 production departments viz.. 'X' , 'Y' & , 'Z' and 2 service departments viz . 'A' & 'B'. Their primary distribution summary discloses following data:

(A) Total overheads as per primary distribution

Departments	Rs.
X	23,000
Y	6,000
Z	6,500
A	4,500
B	2,000

(B) Service dept. expenses are to be apportioned as under:

Departments	X	Y	Z	A	B
Service Dept. 'A'	40%	30%	20%	----	10%
Service Dept. ' B'	30%	30%	20%	20%	----

You are required to compute the overheads of production departments using

- 1) Repeated Distribution Method and
- 2) Simultaneous Equation Method for the month ended 31st August ,2024.
