B.Com. DEGREE EXAMINATION,NOVEMBER 2018
III Year V Semester
Core Major- Paper XIII
COST ACCOUNTING

Time : 3 Hours **Max.marks :75**

Section A $(10 \times 2 = 20)$ Marks

Answer any **TEN** questions

1. What do you mean by Cost analysis?
2. Write a note on Profit centres.
3. What is Bin card?
4. Write a short note on labour cost.
5. What do you mean by overheads?
6. Ascertain the value of Raw materials purchased:

	Rs.
Material consumed	5,00,000
Opening stock of materials	50,000
Closing stock of materials	25,000

7. Calculate Prime cost from the following information:

   Factory expenses Rs. 10,000; selling expenses Rs. 5,000; direct material Rs. 20,000; office overhead Rs. 7,000; direct labour Rs. 15,000 and direct expenses Rs. 3,000.

8. Find out the economic order quantity from the following particulars:

   Annual usage 6,000 units, Cost of material per unit Rs. 20. Cost of placing and receiving one order Rs. 60. Annual carrying cost of one unit: 10% of inventory value.

9. Find out the value of stock under FIFO:

   Opening stock: 400 units @ Rs. 10 per unit, purchase: 500 units @ Rs. 11 per unit and Issue: 600 units.

10. Calculate wages under straight piece rate:

    Normal rate per hour Rs. 1.80, standard time per unit 20 seconds and worker production per day 1,300 units.

11. Calculate direct labour hour rate from the following: Factory overheads RS. 11,400 and number of labour hours worked 2,28,000 hours.

12. The production department of a factory has furnished the following details:

    Direct wages Rs. 1,50,000, production overhead Rs. 75,000. Compute overhead recovery rate on the basis of direct labour.

Section B $(5 \times 5 = 25)$ Marks

Answer any **FIVE** questions

13. Explain the nature of cost accounting.

14. List out the different types of cost.

15. From the following particulars prepare the stores ledger by adopting FIFO method:

1.3.2013	Purchased 300 units at Rs. 2 per unit
2.3.2013	Purchased 600 units at Rs. 3 per unit
5.3.2013	Issued 400 units
8.3.2013	Issued 200 units
10.3.2013	Purchased 600 units at Rs. 5 per unit
12.3.2013	Issued 400 units.

16. During the year 2008, X Ltd., produced 50,000 units of a product. The following were the expenses:

	Rs.
Stock of raw materials on 1.1.2008	10,000
Stock of raw materials on 31.12.2008	20,000,
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a Cost sheet showing cost per unit and total cost at each stage.

17. A worker is paid at 25 paise per hour for completing a work within 8 hours. If he completes the work within 6 hours, calculate his wages under Halsey plan when the rate of premium is 50%. Also ascertain the effective hourly rate of earnings by the worker.

18. Calculate the overhead allocable to production departments A and B from the following:

    There are two service departments X and Y. X renders service to A and B in the ratio of 3:2 and Y renders service to A and B in the ratio of 9:1. Overhead as per primary overhead distribution is:

    A - Rs. 49,800; B - Rs. 29,600; X - Rs. 15,600 and Y - Rs. 10,800.

19. From the following particulars compute the machine hour rate:

Cost of machine:	Rs. 11,000
Scrap value:	Rs. 680
Repairs for the effective working life	Rs. 1,500
Standing charges for 4 weekly period	Rs. 40

Effective working life 10,000 hours

Power used: 6 units per hour at 5 paise per unit

Hours worked in 4 weekly periods: 120 hours.

Section C $(2 \times 15 = 30)$ Marks

Answer any **TWO** questions

20. From the following information prepare a cost sheet for the month of December 1995:

	Rs.
Opening stock of raw materials	25,000
Opening stock of finished goods	17,300
Closing stock of raw materials	26,200
Closing stock of finished goods	15,700
Purchase of raw materials	21,900
Carriage on purchases	1,100
Work in progress 1.12.95 at works cost	8,200
Work in progress 31.12.95 at works cost	9,100
Sale of finished goods	72,300
Direct wages	17,200
Non-productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling and distribution overheads	4,200

21. From the following particulars given below write up the stores ledger card:

1.1.2017	Opening stock	1,000 units at Rs. 26 each
5.1.2017	Purchased	500 units at Rs. 24.50 each
7.1.2017	Issued	750 units
10.1.2017	Purchased	1,500 units at Rs. 24 each
12.1.2017	Issued	1,100 units
15.1.2017	Purchased	1,000 units at Rs. 25 each
17.1.2017	Issued	500 units
18.1.2017	Issued	300 units
25.1.2017	Purchased	1,500 units at Rs. 26 each
29.1.2017	Issued	1,500 units.

Adopt the LIFO method of issue and ascertain the value of the closing stock.

22. Calculate the earnings of workers X and Y under (A) Straight piece rate system and (B) Taylors differential piece rate system from the following details:

Standard time per unit = 12 minutes

Standard rate per hour = Rs. 60

Differentials to be used 80% and 120%

In a particular day of 8 hours, worker X produced 30 units and worker Y produced 50 units.

23. In a light engineering factory, the following particulars have been collected for the three monthly period ended 31-12-2016. Compute the departmental overhead rates for each of the production departments, assuming that overheads are recovered as a percentage of direct wages.

Particulars	Production department			Service department	
	A	B	C	D	E
Direct wages(Rs.)	2,000	3,000	4,000	1,000	2,000
Direct materials(Rs.)	1,000	2,000	2,000	1,500	1,500
Staff(Nos.)	100	150	150	50	50
Electricity(Kwh)	4,000	3,000	2,000	1,000	1,000
Light points(Rs.)	10	16	4	6	4
Assets value(Rs.)	60,000	40,000	30,000	10,000	10,000
Area occupied(sq. mts.)	150	250	50	50	50

The expenses for the period were:

	Rs.		Rs.
Motive power	550	Amenities to staff	1,500
Lighting power	100	Repairs and maintenance	3,000
Stores overhead	400	General overhead	6,000
Depreciation	15,000	Rent and taxes	275

Apportion the expenses of service department E proportionate to direct wages and that to service department D in the ratio of 5:3:2 to department A, B and C respectively.