B.Com.(CS) 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. Define Cost Accounting.
2. What are the elements of cost?
3. What is Economic Order Quantity?
4. What is idle time?
5. What is meant by Machine hour rate?
6. Calculate Prime Cost from the data given.

	Rs.
Direct Materials	10,000
Direct Labour	4,000
Direct expenses	500

7. Find out Re-ordering level:

Maximum consumption of material	300 units
Maximum reorder period	4 weeks
Minimum reorder period	2 weeks

8. Calculate the net wages payable to a worker from the following details

   Basic wages per month Rs.1,100
   Dearness allowance 30% of basic wages
   Employee contribution to PF : 10% of basic wages

9. Calculate EOQ from the following information.

   Annual requirements 10,800 kg
   Cost of placing and receiving one order Rs.1,000
   Annual carrying cost Rs.20

10. Calculate the amount of rent and taxes to be apportioned to the four departments:

    Rent and rates Rs.10,000

    Area(Sq. feet) Dept A 1,500: Dept B 1,100: Dept C 900: Dept D 500

11. Calculate Labour Turnover rate under replacement method

Number of employees replaced during 2004	1,000
Average number of employees during 2004	8,000

12. Prepare cost sheet from the following

Direct materials consumed	10,000
Labour	5,000
Direct expenses	5,000

Factory OH: 10% of prime cost

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

Answer any **FIVE** questions

13. From the following particulars, prepare a cost sheet :

PARTICULARS	Rs.
Direct materials	8,000
Direct wages	6,000
Direct expenses	2,500
Administrative OH	4,000
Factory OH	5,000
Sales	40,000

14. Calculate (a) Reorder level (b) Minimum level and (c) Maximum level from the following details.

Minimum consumption: 100 units per day
Maximum consumption: 150 units per day
Normal consumption: 120 units per day
Lead time: 10 – 15 days
Reorder quantity: 1,500 units
Normal lead time: 12 days

15. Arun and Co. gives the following information :

No. Of employees on 1.1.05: 2,010
No. of employees on 31.12.05: 1,990
No. of employees recruited: 30
No. of employees discharged: 50
Calculate labour turnover ratio.

16. A factory has 3 production departments A, B and C. And 2 service departments X and Y. The overhead cost of the different departments incurred during March 2007 are as follows :

Dept:	A	B	C	X	Y
Cost (Rs):	10,000	8,000	6,000	5,000	3,000

The cost of dept. X has to be changed to the ratio of 2:2:1 and those of dept. Y equally to depts. A, B and C respectively. Find the total overhead of the production department.

17. From the following particulars prepare the stores ledger account by adopting FIFO method for March

2003 Date		
1	Purchased 300 units @ RS 2 per unit	
2	Purchased 600 units @ RS 3 per unit	
5	Issued 400 units	
8	Issued 200 units	
10	Purchased 600 units @ RS.5 per unit	
20	Issued 400 units	

18. What are the practical difficulties in implementing a costing system?

19. From the following particulars, calculate the MHR for a drilling machine.

	Rs.
Cost of the drilling machine	42,000
Estimated scrap value	2,000
Estimated working life: 10 years of 2,000 hours each	
Running time for a 4 week period: 50 hours	
Estimated repairs for life	10,000
Standing charges allocated to this machine	300
Power consumed per hour @ 10 paise per unit:	5 units

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

Answer any **TWO** questions

20. Two components A and B are used as follows :

Reordering Quantity:	A = 1,200 units
	B = 1,000 units
Reordering Period:	A = 2 to 4 weeks
	B = 3 to 6 weeks

Normal usage: 300 units per week each
Minimum usage: 150 units per week each
Maximum usage: 450 units per week each

Calculate (a) Reorder level, (b) Maximum level, (c) Minimum level, (d) Average stock level.

21. Prepare a stores ledger a/c under LIFO method of pricing the issue of stores, using the following information :

Jan 2008		Units
1	Balance in hand @Rs 1.10 per unit	100
2	Received @Rs 1.20 per unit	200
10	Issued	150
14	Received @ Rs 1.30 per unit	100

18	Issued	150
23	Returned from the issue of 10^{th} Jan	20
26	Received @ Rs 1.20 per unit	100
30	Wastage	10
31	Issued	110

22. From the following particulars, calculate the earnings of a worker under (a) Halsey plan, (b) Rowan plan.

    Time allowed: 30 hours

    Time taken 20 hours

    Hourly rate of wage is Rs. 2 per hour plus a dearness allowance @ Rs 50 paise per hour worked.

23. Z.ltd has three production departments A, B and C and two service departments X and Y. The following particulars are available for the month of Mar.2011 concerning the organisation:

PARTICULARS	Rs.
Rent	15,000
Municipal taxes	5,000
Electricity	2,400
Indirect wages	6,000
Power	6,000
Depreciation on machinery	40,000
Canteen expenses	30,000
Other labour related costs	10,000

Following further details are also available

	TOTAL	A	B	C	X	Y
Floor space(Sq. units)	5,000	1,000	1,250	1,500	1,000	250
Light points	240	40	60	80	40	20
Direct wages (Rs.)	40,000	12,000	8,000	12,000	6,000	2,000
HP of machine	150	60	30	50	10	-
Cost of machine	2,00,000	48,000	64,000	80,000	4,000	4,000

The expenses of service departments are to be allocated in the following manner:

	A	B	C	X	Y
X	20%	30%	40%	-	10%
Y	40%	20%	30%	10%	-

Calculate the total overhead of the production departments.