

B.Com.(A&F) DEGREE EXAMINATION, NOVEMBER 2018
III Year V Semester
Core Major- Paper XIV
COST ACCOUNTING

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. Define Cost.
2. What is material control?
3. Write a note on 'Idle time'
4. What is meant by 'Overhead'?
5. What is 'Reconciliation Statement'?
6. What is machine hour rate?
7. Standard time allowed for a job is 50 hours. The hourly rate of wage is Rs.10 per hour plus a dearness allowance of Rs.5 per hour worked. Actual time taken 40 hours. Calculate total wages on time and piece wages.
8. Calculate the Stock levels (Minimum and Maximum) for an item of materials from the following information.

Normal usage	200 units per day
Maximum usage	250 units per day
Minimum usage	120 units per day
Re-order period	5 to 15 days
EOQ	4,000 units.
9. Calculate prime cost from the following details

	Rs.
Direct materials	10,000
Direct labour	4,000
Direct expenses	500
Factory expenses	1,500
Administrative expenses	1,000
10. Calculate direct labour hour rate from the following:

Factory overheads	Rs.11,400
Number of labour hours worked	2,28,000 hours
11. Normal week of 48 hours, a worker worked for 52 hours at the rate of Rs.15 per hour. Taking overtime premium at 100% of the time rate, calculate the gross wages.

12. State the basis of Apportionment of the following service department expenses.
- Maintenance Dept.
 - Canteen Dept.
 - Storekeeping Dept.

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

Answer any **FIVE** questions

13. Discuss the importance of cost accounting.
14. Discuss the essential features of good wage system.
15. Prepare a statement of Reconciliation from the following:

	Rs.
Net loss as per cost accounts	34,500
Works overhead under recovered in costing	6,240
Administration overhead recovered in excess	3,400
Goodwill written off	5,000
Interest on investment not included in costing	6,000

16. A publishing house purchases 4,000 units of a particular item per year at a unit cost of Rs.20. The order cost per order is Rs.50 and the inventory carrying cost is 25%. Find the optimal order quantity and the minimum total cost including the purchase cost.
17. From the following details of stores receipts and issues of material 'A' in a concern prepare the store ledger using weighted average method of valuing the issues.

Nov.1	Opening stock	2,000 units at Rs.5.00 each
Nov.3	Issued	1,500 units to production
Nov.10	Received	4,500 units at Rs.6 each
Nov.12	Returned to stores	100 units by production department.(from the issue of Nov.3)

18. Compute the labour cost per man day of 8 hours from the following details:
- Basic wage Rs.2,000 per month
 - Dearness allowance @20% of the basic wage.
 - Leave pay @10% of the basic wage.
 - Contribution to provident fund by the employer @5% of the basic wage.
 - Working days of the month - 25 days of 8 hours each.
19. Compute the machine hour rate:
- Electric charges Rs.0.75
 - Insurance charges Rs. 0.30

- c. Repair charges Rs.550.P.A.,
- d. Machine value Rs. 15,000 -Depreciation 10% P.A
- c. Machine will work for 2,000 hours P.A.,

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

Answer any **TWO** questions

20. The accounts of a machine manufacturing company disclose the following information for six months ending 31st December 1982.

	Rs.
Materials used	1,50,000
Direct wages	1,20,000
Factory overhead	30,000
Administrative expenses	15,000

Prepare cost sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.1,250 and expenditure in productive wages Rs.750, so that the price might yield a profit of 20% on the selling price.

21. From the following particulars prepare the stores ledger account showing the pricing of materials issue, by adopting the FIFO method, with base stock of 400 units, out of opening stock.

2010 December 1	Opening stock 1,000 units at Rs.2.00 each
3	Purchased 800 units at Rs.2.10 each.
5	Issued 800 units
12	Purchased 1,600 units at Rs. 2.10
17	Issued 1,500 units
20	Purchased 900 units at Rs.2.50 each.
25	Issued 600 units

22. From the following particulars, calculate earnings of a worker under:

- i. Time rate system
- ii. Piece wage rate
- iii. Halsey plan and
- iv. Rowan plan

Wage rate Rs.2 per hour

Production per hour -4 units

Dearness allowance -Re.1 per hour

Standard time fixed - 80 hours

Actual time taken - 50 hours

Production - 250 units.

23. A company reapportions the costs incurred by two service centres 'D' and 'E' to the three production centres 'A' 'B' and 'C'

The following are the overhead costs which have been allocated and appportioned to the five cost centres.

	Rs.
Machining	4,00,000
Finishing	2,00,000
Assembling	1,00,000
Material handling	1,00,000
Inspection	50,000

Estimates of the benefits received by each cost centre are as follows:

	A %	B%	C%	D%	E%
Material handling	30	25	35	-	10
Inspection	20	30	45	5	-

You are required to calculate the charge for overhead to each of the three production cost centres, including the amounts reapportioned from the two service centres using the Continuous Allotment or Repeated Distribution method.