B.Com. (Hons) DEGREE EXAMINATION,NOVEMBER 2018
III Year V Semester
Core Major-Paper XXI
COST ACCOUNTING

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

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

Answer **ALL** the questions

1. Write short notes on Cost Centres.
2. Define Activity based costing
3. What is prime cost?
4. Calculate Works cost:

   Factory Expenses Rs.700; Office expenses Rs.300; Selling expenses Rs.900; material consumed Rs.3400
5. State the meaning of Bincard
6. Calculate inventory turnover ratio from the following:

   Opening stock Rs.80,000; Closing Stock Rs.60,000; Material purchased Rs.2,60,000.
7. Write short notes on 'idle time'.
8. Calculate Labour hour rate:

   Production overhead (budgeted) Rs.80,000; Labour hours = 10000
9. What is contract costing?
10. Ascertain cost as per cost accounts:

    Profits as per Financial accounts Rs. 35,000;

    Dividends received on Investment Rs.5200;

    Loss on sale of buildings Rs.4000.

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

Answer any **FIVE** questions

11. Discuss the objectives of cost accounting.
12. Calculate the Cost of raw materials purchased from the following data

    Opening stock of raw materials 20,000

    Closing stock of raw materials 30,000

    Expenses on purchases 10,000

    Direct wages 50,000

    Prime cost 1,50,000

13. From the following prepare stores ledger by adopting FIFO method.

Date	Particulars
1 March 2003	Purchased 300 units at Rs.2 per unit
2	Purchased 600 units at Rs.3 per unit
5	Issued 400 units
8	Issued 200 units
10	Purchased 600 units at Rs.5 per unit
12	Issued 400 units

14. From the following particulars find the amount required for cash payment of wages in a factory for a particular month:

	Rs.
Wages for normal hours worked	2,00,000
Wages for overtime worked	5,000
Leave wages	4,000
Deduction for employees state insurance scheme	3,000
Employee's contribution to Provident Fund	2,000

House rent to be recovered from 20 employees at Rs. 50 per month. Employer also contributes an equal amount towards ESI & PF.

15. Calculate Machine hour rate:

Cost of Machine = Rs.19200

Estimated Scrap value = Rs.1200

Repairs charges per month = Rs.150

Standing charges allocation to machine per month = Rs.50

Effective working life of machine = 10000 hours.

Running time per month = 166 hours

Power used by machine = 5 units per hour at 19 paise per unit

16. Prepare contract account. The following is the information relating to contract no. 123

Contract price	Rs. 6,00,000
Wages	Rs. 1,64,000
General expenses	Rs. 8,000
Raw materials	Rs. 1,20,000
Plant	Rs. 20,000

As on date, cash received was Rs. 2,40,000 being 80% of work certified. The value of materials remaining at site was Rs. 10,000.

Depreciate plant by 10%.

17. From the following particulars ascertain the amount of profit shown in profit and loss account by preparing necessary reconciliation account:

	Rs
a) Profit shown as per cost books	1,40,000
b) Depreciation shown excess in cost books	2,000
c) Interest on Investment received	1,000
d) Provision made for Income Tax	40,000
e) Income received for share transfer	150
f) Factory overhead under recovered in cost books	3,000
g) Office expenses under recorded in financial books	1,000

18. What is the perpetual inventory system? What are its merits?

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

PART - A - Case Study - Compulsory Question

19. Mr. A 's factory furnishes the following information for the year 2018:

Particulars	Rs.
Raw materials	3,00,000
Direct Wages	1,68,000
Works Overhead	1,50,000
Office Overhead	1,68,000
Selling Overhead	1,12,000
Distribution Overhead	70,000
Net profit	1,10,000

(a) Prepare Cost sheet from the above details.

(b) Help Mr.A to prepare a estimation for the year 2019 for a work order with available following information

Raw materials Rs. 12000: Wages Rs.7000, Assuming that in 2019 works overhead went up 20%, distribution overhead went down by 10% and selling and office overhead went up by 12.5%, at what rate of price should the product be quoted so as to earn the rate of profit on the selling price same in 2018?

PART - B

Answer any **ONE** questions

20. Material 'A' is used as follows :

Maximum usage in a month 600 units

Minimum usage in a month 400 units

Average usage in a month 450 units

Lead time : Maximum 6 months, minimum 2 months

Re-Order Quantity : 1,500 units

Maximum reorder period for emergency purchases - 1 month

calculate.

(a) Re order level

(b) Maximum level

(c) Minimum level

(d) Average stock level

(e) Danger level.

21. Number of working hours per week = 48

Wages per hour = Rs.3.75

Normal time per piece = 20 minutes

Rate per piece = Rs.1.50

Normal time per piece = 20 minutes

Rate per piece = Rs.1.50

Differential piece rate: 80% of piece rate when output is below standard and 120% when above standard.

Calculate the earnings (for a week) under

(a) Straight Piece wage system;

(b) Differential Piece wage system

(c) Halsey premium Plan,

(d) Rowan Scheme