

B.Com DEGREE EXAMINATION, APRIL 2019
III Year V Semester
Cost Accounting

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. What is a Cost sheet?
2. What is Marginal Costing?
3. Mention the three broad elements of Cost.
4. What is a Tender?
5. What is abnormal loss?
6. What is EOQ?
7. Write short notes on Taylor's differential piece rate system.
8. What is Work in Progress?
9. What is Merit rating?
10. What is idle time?
11. What do you mean by ABC analysis?
12. What is Overhead cost?

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

Answer any **FIVE** questions

13. Write short notes on Labour Turn Over.
14. Explain the various methods of Wage payment?
15. Calculate the Factory Cost from the following particulars:

Particulars	Rs
Materials consumed	50,000
Productive wages	30,000
Unproductive wages	3,000
Salary of factory manager	6,000
Consumable spares	1,000
Rent of factory premises	2,500
Machine depreciation and repairs	1,500
Oil, grease etc.	500
Salary of factory clerks	2,000
Rent of factory furniture	800

16. ABC Company buys in lot of 125 boxes which is a three months supply. The cost per box is Rs. 125 and the ordering cost is Rs. 250 per order. The inventory carrying cost is estimated at 20% of unit value per annum. You are required to ascertain:

- i.) What is the total annual cost of the existing inventory policy?
- ii.) How much money would be saved by employing the economic order quantity (EOQ)?
17. From the following particulars calculate the earnings of workers A and B under (i) Straight Piece Rates and (ii) Taylor's Differential Piece Rate:

Standard time per Piece - 30 seconds

Normal rate per hour – Rs. 2.40

80% of piece rate below standard

120% of piece rate at above standard

Worker A produces 800 units per day and Worker B produce 1,000 units per day.

18. A cost centre in a factory furnishes the following working conditions:

Normal working week	40 hours
Number of machines	15
Number of weekly loss of hours on maintenance, etc.	4hrs. per machine
Estimated annual overheads	Rs.1,55,520
Estimated direct wages rate	Rs.3 per hour
Number of weeks worked pr year	48
Actual results in respect of a 4-week period are:	
Overheads incurred	Rs.15,000
Wages incurred	Rs.7,000
Machine hours produced	Rs.2,200

You are required to (a) calculate the overhead rate per machine hour, and (b) calculate the amount of under over-absorption of both wages and overheads.

19. Two components, A and B are used as follows:

Normal usage	50 units per week each
Minimum usage	25 units per week each
Maximum usage	75 units per week each
Re-order quantity A :	300 units
B :	500 units
Re-order period A :	4 to 6 weeks
B :	2 to 4 weeks

Calculate for each component:

- Re-order level
- Minimum level
- Maximum level
- Average stock level

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

Answer any **TWO** questions

20. Explain the Nature, Scope and Limitations of Cost Accounting.
21. Explain the various methods of Inventory Control.

22. Prosperous Ltd. sells its goods directly through salesmen in three zones A, B and C. The company keeps accounts under three sales service department at the headquarters besides the three zones. The following information is supplied to you for the month of March 2015:

PARTICULARS	ZONE			DEPARTMENT			TOTAL
	A	B	C	General & Advertising	Shipping & Warehouse	Credit & Collection	
Net Sales(Rs.)	50,000	30,000	20,000	-	-	-	1,00,000
Sales Equipment(Rs.)	14,400	7,600	5,800	8,400	4,200	9,600	50,000
Supplies(Rs.)	6	24	92	41	28	9	200
Salesmen's Salaries(Rs.)	3,750	2,900	2,450	-	-	-	9,100
Office Salaries(Rs.)	-	-	-	1,800	1,100	500	3,400
Travelling ex-penses(Rs.)	-	-	-	490	120	290	900
Floor Space(Sq. ft.)	-	-	-	1,100	600	300	2,000

Details regarding other expenses are as follows:

	Rs.	Basis of Distribution
Subscription and Other Expenses	200	Allocate to General and Advertising Dept.
Advertising	5,000	Net Sales
Rent, Rates of Buildings	400	Floor Space
Fire Insurance of Buildings	100	Floor Space
Department of Sales Equipment	500	Value of Equipment
Light and Water	200	Floor Space

Selling costs of general and advertising department as well as credit and collection department are to be apportioned over various zones on the basis of net sales. The shipping and warehouse expenses are to be charged in the ratio of 4: 2: 4 to zones A, B and C respectively.

23. Enter the following transactions in the stores ledger account for material Y using,

(a) The first-in-first out method (b) The last-in-first-out method.

July	
1	Balance, 100 units @ 10 p. per unit, Rs. 10
1	Ordered 400 units, purchase order 5, expected July 6.
2	Issued 25 units, requisition 100 Dept. A.
4	Ordered 200 units, purchase order 10, expected July 8
6	Received 400 units, purchase order 5, @ 11p. per unit
7	Issued 150 units, requisition 102, production order No. 201
8	Returned to stock room 10 units from Dept. A, requisition 100
10	Received 150 units, purchase order 10 @ 12p. per unit
12	Ordered 100 units, purchase order 15, expected July 20
15	Issued 160 units, requisition 125, production order No. 210
18	Received 50 units, balance of purchase order 10 @ 12 p. per unit
21	Issued 60 units, requisition 130, Dept. B
23	Returned to vendor, 20 units from purchase order No.10, received July 18
25	Received 100 units, purchase order 15 @ 10 p. per unit
27	Freight on purchase order 15, Rs.2.50
29	Issued 125 units, requisition 140 production order No. 250