

B.Com(CS) 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. Define a Cost Sheet.
2. What do you mean by Safety level?
3. Give the meaning of Time rate system.
4. Define Cost accounting.
5. What do you mean by cost centre?
6. What is a Quotation?
7. A factory produces 100 units of a commodity. The cost of production is:

	Rs.
Direct material	10,000
Direct labour	5,000
Direct expenses	1,000
Factory overheads	6,500
Administrative overheads	3,480

Calculate factory cost.

8. The personnel department of a concern gives you the following information in respect of labour.
 No. of employees on 1st Jan 1800
 No. of employees on 31st Jan 2200
 During the month 20 persons quit and 80 persons were terminated. 300 workers are needed of these, 50 workers are recruited in the vacancies and the rest were engaged in the expansion scheme. Calculate the Labour turnover under separation method.
9. What earnings will a workman receive under Halsey plan if he executes a piece work in 60 hours as against 75 hours allowed? His hourly rate is Rs. 2 and he is paid 50% of the time saved under Halsey Plan. He gets a D.A of Rs. 8 per day of 8 hours worked in addition to his wages.
10. Write a note on overhead.
11. Give the meaning of Danger level of stock.
12. What do you mean by Economic ordering quantity?

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

Answer any **FIVE** questions

13. Explain ABC analysis.
14. Describe the steps to install a costing system.

15. Calculate the Machine hour rate from the following:

Purchase price of the machine with the scrap value zero Rs. 90,000

Installation and incidental charges incurred on the machine Rs. 10,000

Life of the machine is 10 years of 2000 working hours each year.

Repair charges: 50% of depreciation

Machine consumes 10 units of electric power per hour @ 40 paise per unit

Oil expense @ Rs. 2 per day of eight hours

Consumable stores @ Rs. 10 per day of eight hours

Two workers are engaged on the machine @ Rs. 4 per day of eight hours.

16. On the basis of the following information, calculate the earnings of X and Y under the Straight Piece rate system and Taylor's Differential piece rate system:

Standard production : 10 units per hour

Normal time rate : Rs. 5 per hour

Differentials to be applied:

80% of piece rate for below standard performance

120% of piece rate for performance at or above the standard

Actual performance:

X produced 80 units in a day of 10 hours.

Y produced 110 units in a day of 20 hours.

17. Write a Stores Ledger Card in proper form making use of the following particulars, pricing issues on the principle of FIFO.

Date	Transactions	Qty Units	Rate per unit in Rs.
Jan 1	Balance	500	20
Jan 3	Issues	300	-
Jan 6	Purchases	800	22
Jan 8	Issues	400	-
Jan 12	Issues	300	-
Jan 14	Purchases	400	25
Jan 20	Issues	600	-
Jan 24	Purchases	500	28
Jan 25	Issues	300	-
Jan 28	Issues	100	-

The stock verifier found a shortage of 10 units on 30th and left a note.

18. 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

Reorder quantity A- 300 units; B- 500 units

Reorder period A- 4 to 6 weeks; B- 2 to 4 weeks

Calculate for each components:

- a. Reorder level
- b. Minimum level
- c. Maximum level
- d. Average stock level

19. From the following particulars you are required to prepare a statement showing cost of sales and profit.

	Rs
Stock of finished goods on 31st Dec 2009	73,000
Stock of raw materials on 31st Dec 2009	35,000
Purchase of raw materials	7,60,000
Productive wages	5,20,000
Stock of finished goods on 31st Dec 2010	82,500
Stock of raw materials on 31st Dec 2010	37,500
Sales of finished goods	15,45,800
Works overhead charges	1,30,200
Office and general charges	69,700

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

Answer any **TWO** questions

20. A company manufactured and sold 1000 radios during a year. Prepare a statement of cost in proper form, showing the different elements of cost per unit from the summarized Trading and Profit and Loss account set out below:

To Materials	80,000	By Sales	4,00,000
Direct wages	1,20,000		
Works on cost	50,000		
Gross profit	1,50,000		
	4,00,000		4,00,000

To Salaries	60,000	By Gross profit	1,50,000
Rents and rates	10,000		
Selling expenses	30,000		
General expenses	20,000		
Net Profit	30,000		
	1,50,000		1,50,000

Using the above information, prepare a statement of estimate for the next year if output and sales will be 1200 radios, price of materials will rise by 20% and wage rate by 5%, works on cost will rise in proportion to the combined cost of materials and wages, a profit of 10% on the selling price is expected and the selling cost per unit and others will remain unchanged.

21. Calculate the overheads applicable to production departments A and B. There are also two service departments X and Y. X renders service worth Rs. 12,000 to Y and the balance to A and B in 3:2. Y renders services to A and B in 9:1.

Particulars	A	B	X	Y
Floor space(Sq.ft)	5000	4000	1000	2000
Assets('00,000)Rs	10	5	3	1
H.P. of machine	1000	500	400	100
Light & Fan points	50	30	20	20
No of workers	100	50	50	25

Expenses and charges are:

	Rs.
Depreciation	1,90,000
Rent & rates	36,000
Insurance	15,200
Power	20,000
Canteen	10,800
Electricity	4,800

22. The following information has been collected from the records of a manufacturing company

Particulars	Cost accounts (Rs)	Financial accounts (Rs)
Value of opening stock:		
Raw materials	27342	27458
Work in progress	19488	19379
Finished goods	21000	20642
Value of closing stock		
Raw materials	29457	29326
Work in progress	21296	21382
Finished goods	24000	22860
Factory cost	18000	15000
Office cost	6000	7000
Selling cost	9600	7500
Sundry expenses	—	21000
Transfer fees	—	200
Interest on Bank deposits	—	1500
Profit	?	111377

Prepare a statement and ascertain profit as per cost accounts.

23. State the advantages of cost accounting. How does it aid the management and what objections are raised against cost accounts?