

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

**Time : 3 Hours**

**Max.marks :75**

**Section A** (10 × 2 = 20) Marks

Answer any **TEN** questions

1. Define 'Cost'.
2. Calculate Raw Material Consumed:
 

Raw Material	80,000
Sale of Material scrap	1,000
Opening stock of Raw Materials	12,000
Closing stock of Raw Materials	21,000
3. Compute the Prime Cost.
 

Direct Material used	82,000
Productive wages	17,000
Royalty paid	11,000
Hire charge of special Machines for the job	13,000
4. Write down the formula for EOQ.
5. What is meant by cost sheet?
6. Calculate wages of Mr. A for the month of October 2010.  
 Mr.A a worker in a factory is paid on time basis. He worked for 200 hours. His hourly wage rate is Rs. 10/hour
7. What is meant by Bin card?
8. Calculate direct labour hour rate from the following:
 

Factory Overheads	Rs. 11,400
Number of labour hours worked	2,28,000 hours
9. What is meant by Gantt task bonus plan?
10. Calculate the Machine hour rate:
 

Production Overhead	Rs. 40,000
Machine hour rate	10,000
11. Define overheads.
12. Calculate Net wages from the following.  
 Basic wages per month Rs. 400  
 D.A at 25% on Basic  
 Employee's contribution to P.F 20% Basic.

**Section B** ( $5 \times 5 = 25$ ) MarksAnswer any **FIVE** questions

13. Prepare reconciliation statement from the following details

	Rs.
Net loss as per cost accounts	3, 44,800
Net loss as per financial accounting	4, 32,890
Works overhead under recovered in cost accounting	6,240
Depreciation overcharged in cost accounting	2,600
Interest on investment	17,500
Administrative overhead over recovered in cost accounting	2,600
Goodwill written off	92,000
Stores adjustment in financial books (Cr)	950
Depreciation of stock charged only in financial books	13,500

14. During the year 2008, X Ltd, produced 50,000 units of a products. The following were the expenses:

	Rs.
Stock of raw materials on 1.1.2008	10,000
Stock of raw materials on 31.12. 2008	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a cost sheet showing total cost at each stage.

15. Find out economic order quantity (EOQ ) from the following particulars:

Annual usage	Rs. 6,000
Cost of material per unit	Rs. 20
Cost of placing and receiving one order:	Rs. 60.

Annual carrying cost of one unit 10% of inventory value.

16. From the particulars given below write up the stores ledger card.

2007 January 1	Opening stock	1,000 units at Rs 26 each
5	Purchased	500 units at Rs. 24.50 each
7	Issued	750 units
10	Purchased	1,500 units at Rs. 24 each
12	Issued	1,100 units
15	Purchased	1,000 units at Rs. 25 each
17	Issued	500 units
18	Issued	300 units
25	Purchased	1,500 units at Rs. 26
26	Issued	1,500 units

17. The standard price of a material is fixed at Rs. 14 per unit. Prepare the stores ledger account showing pricing of material issues under standard price method.

2010 March 1	Opening balance	2,000 units Rs. 14 per unit
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5	Received	500 units Rs. 15 per unit
7	Issued	1,000 units
10	Issued	200 units
12	Received	800 units Rs. 13 per unit
14	Issued	1,200 units
18	Issued	400
20	Received	600 units Rs. 16 per unit
26	Issued	200 units
28	Received	200 units Rs. 12 per unit
30	Issued	100 units

18. Calculate the earnings of worker X and Y under Taylor's differential piece rate system from the following details

Standard Time per unit = 12 minutes

Standard rate per hour Rs. 60

Differentials to be applied 80% and 120%

In a particular day of 8 hours, worker 'X' produced 30 units and worker 'Y' produced 50 units

19. Calculate the overhead allocable to production departments A and B from the following.

There are two service departments X and Y. X renders service to A and B in the ratio of 3; 2 and Y renders service to A and B in the ratio of 9:1. Overhead as per primary overhead distribution is:

A - Rs. 49,800 B - Rs. 29,600 X - Rs. 15,600 Y - Rs. 10,800

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

Answer any **TWO** questions

20. M/s Indu Industries Ltd., are the manufacturers of Moonlight Torches. The following data relate to manufacture of torches during the month of March 2009.

Raw materials consumed	Rs. 20,000
Direct wages	Rs. 12,000
Machine hours worked	9,500 hours
Machine hour rate	Rs. 2
Office overhead	20%
Selling overhead	50 paise per unit
Units produced	20,000
Units sold	18,000 @ Rs. 5 per unit.

21. The following are the particulars applicable to a work process:

Time rate Rs. 5 per hour

High task 40 units per week

Piece rate above the high task Rs. 6.5 per unit

In a 40 hour week, the production of the workers was as follows

A: 35 units

B: 40 units

C: 41 units

D: 52 units

Calculate the wages of the workers under Gantt's Task bonus plan

22. Kumersh Ltd., has the three production departments 'A' 'B' and 'C' two service departments 'D' and 'E'. The following figures are extracted from the records of the company.

	Rs.
Rent and Rates	5,000
Indirect wages	1,500
Depreciation of machinery	10,000
General lighting	600
Power	1,500
Sundries	10,000

Following further details are available

Particulars	Total	A	B	C	D	E
Floor space in square feet	10,000	2,000	2,500	3,000	2,000	500
Light points	60	10	15	20	10	5
Direct Wages (Rs)	10,000	3,000	2,000	3,000	1,500	500
H.P. of machines	150	60	30	50	10	-
Value of machinery	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the cost to various departments on the most equitable basis by preparing a primary departmental summary.

23. Work out the machine hour rate for the following machine whose scarp value is 'nil'

(i) Cost of machine	Rs. 3,60,000
(ii) Freight and installation	Rs. 40,000
(iii) Working life	20 years
(iv) Working hours	8,000 per year
(v) Repair charges	50% of depreciation
(vi) Power : 10 units per hour	@ 10 paise per unit
(vii) Lubricating oil	@ Rs. 2 per day of 8 hours
(viii) Consumable stores	@ Rs. 10 per day of 8 hours
(ix) Wages of operator	@ Rs. 4 per day