

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

**Time : 3 Hours**

**Max.marks :75**

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

Answer **ALL** the questions

1. Define 'Cost Accounting'
2. Define a 'Cost centre'
3. Write a note on Tenders or quotation.
4. What is time booking?
5. What is material turnover ratio?
6. Define overheads.
7. What is an 'Absorption of overheads'?
8. What do you mean by idle time?
9. What is machine hour rate?
10. What do you mean by Bin card?

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

Answer any **FIVE** questions

11. State the meaning and objectives of Cost accounting?
12. Distinguish between Cost accounting and Financial accounting.
13. From the following particulars prepare cost sheet.

	Rs.		Rs.
Direct materials	8,000	Administration overheads	4,000
Direct wages	6,000	Factory overheads	5,000
Direct expenses	2,500	Sales	40,000

14. The following information is relating to a material for the year ended 2010. The value of material is Re.1 per kg.

Opening Stock	800 Kg.
Purchases	12000 Kg.
Closing Stock	400 Kg.

Calculate the material turnover ratio and express in number of days the average inventory held.

15. From the following data given by the Personnel Department, calculate the labour turnover rate by applying:
  - (a) Separation method
  - (b) Replacement method
  - (c) Flux method

No. of workers on the payroll:

At the beginning of the month	900
At the end of the month	1,100

During the month 10 workers left; 40 workers were discharged and 150 workers were recruited. Of these, 25 workers are recruited in the vacancies of those leaving while the rest were engaged for an expansion scheme.

16. From the details given below; find out profit as per financial accounts:

(i) Profit as per cost accounts	Rs. 1,50,300
(ii) Factory overheads under charged in cost accounts	Rs. 8,000
(iii) Administration over heads under charged in financial accounts	Rs.3,000.
(iv) Depreciation over charged in cost a/c	Rs.1,900.
(v) Bad debts written off	Rs.650.
(vi) Interest on deposits	Rs. 940.

17. 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 24 each
12	Issued	1,100 units
15	Purchased	1,000 units at 25 each
17	Issued	500 units
18	Issued	300 units
25	Purchased	1,500 units at Rs. 26 each
29	Issued	1,500 units

Adopt the FIFO method of issue and ascertain the value of the closing stock.

18. In a company, weekly minimum and maximum consumption of material A are 25 and 75 units respectively. The reorder quantity as fixed by the company is 300 units. The materials is received within 4 to 6 weeks from issue of supply order.

Calculate minimum level and maximum level of material A.

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

#### PART - A - Case Study - Compulsory Question

19. Following are the particulars of the Amul – Ice – Cream Company's Cost sheet:

Particulars	Total Cost(Rs.)	Cost per Unit(Rs.)	Rs.
<b>Direct Materials Consumed:</b>			
<b>Opening stock of Material</b>	100000	10	
Raw material	300000	3	
Dry fruit	250000	2.5	
Milk	300000	3	
Flavours	350000	3.5	
Other ingredients	200000	2	
Sugar	250000	2.5	
Cup	150000	1.5	
Cutlery	100000	1	
Seasonal fruit	50000	0.5	
Waffle	100000	1	

Cocoa	150000	1.5	3200000
Carriage inwards		1.845	184500
Raw material consumed		33.845	3384500
Direct expenses		2.2	220000
Direct labour		5.3	530000
<b>Prime Cost</b>		<b>41.345</b>	<b>4134500</b>
Factory overhead: Fixed:			
Depreciation	250000	2.5	
Rent	100000	1	
Power	175000	1.75	
Insurance	150000	1.5	
Superior's Salary	60000	0.6	
Variable:			
Electricity	70000	0.7	
Running expenses of machine	100000	1	
		9.05	905000
<b>Work cost</b>		<b>50.395</b>	<b>5039500</b>
<b>Office overheads:</b>			
Employee cost	1000000	10	
<b>Other expenditure</b>			
Computer	120000	1.2	
Telephone	10000	0.1	
Taxes	40000	0.4	
Carriage outwards	20000	0.2	
		11.9	1190000
<b>Cost of Production</b>		<b>62.295</b>	<b>6229500</b>
Opening stock, closing stock		2	200000
<b>Cost of goods sold</b>		<b>64.295</b>	<b>6429500</b>
<b>Selling &amp; Distribution Expenses</b>			
Advertisement	400000	4	
Delivery vehicles	350000	3.5	
Petrol	175000	1.75	
Packaging Rates	50500	0.505	
		9.755	975500
<b>Cost of sales</b>		<b>74.05</b>	<b>7405000</b>
<b>Profit</b>		<b>18.5</b>	<b>1851250</b>
<b>Sales</b>		<b>92.5625</b>	<b>9256250</b>

1. Comment on the company production and sales aspects and estimate the profit?
2. Estimate the company's per – unit profit of Ice-Cream?
3. Calculate the selling price (S.P.) of the company?

**PART - B**Answer any **ONE** questions

20. From the following prepare cost sheet.

Particulars	1.1.2006(Rs.)	31.12.2006(Rs.)
Cost of raw materials	30,000	25,000
Cost of finished goods	60,000	55,000
Cost of work in progress	12,000	15,000
Purchase of raw materials	4,00,000	
Wages	2,30,000	
Factory overheads	92,000	
Administrative overheads	30,000	
Selling and distribution overheads	20,000	
Sales	9,00,000	

21. From the following details you are required to prepare Contract account for the year ended on 31.12.2001.

	Rs.
Material directly purchased	1,80,000
Materials issued from stores	50,000
Wages	2,44,000
Direct expenses	24,000
Plant purchased	1,60,000
Proportionate establishment Charges	54,000

The contract price was for Rs. 15,00,000 and upto 31.12.2001 Rs.6,00,000 had been received in cash which represented 80% of work certified.

The materials at site unconsumed were valued at Rs.15,000. The plant was to be depreciated by Rs. 16,000.

Prepare the Contract account showing what profits thereon have been earned to date.