

**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 costing.
2. Prepare cost sheet:  
Raw materials used Rs. 60,000  
Wages Rs. 15,000; Works expenses: 100% of wages; Office expenses: 25% of works cost; selling overhead: 10% of cost of production.
3. What do you understand by 'overhead' ?
4. Find works cost from the data given below:  
Prime cost Rs.44,500; works overhead Rs.22,100; Opening work in-progress Rs.10,500; closing work in-progress Rs.12,850.
5. Explain-Bin card.
6. Compute inventory turnover ratio:  
Maximum inventory level: 6,000 units; Minimum inventory level: 2,000 units; Issuing during the period: 20,000 units.
7. Ascertain net wages cheque to be given to a worker from the following:  
Gross wages Rs. 5,000; Contribution to employee state insurance Rs.250; Contribution to P.F Rs.150; Depreciation on machinery Rs.1,000. Workers are required to contribute equal amount towards ESI and P.F.
8. What is direct labour cost?
9. What is normal loss?
10. Find out the profit as per cost accounts from the data:  
(a) Profit as per financial A/c = Rs. 60,000  
(b) Depreciation charged in financial A/c = Rs. 10,000  
(c) Depreciation recovered in Cost A/c = Rs. 8000

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

Answer any **FIVE** questions

11. What are the limitations of cost accounting?
12. Prepare a cost sheet showing cost of production and profit from the following data.

	Rs.	Opening(Rs.)	Closing(Rs.)
Stock of raw materials		75,000	78,750
Work-in-progress		24,600	27,300
Stock of finished goods		52,080	47,250
Purchase for the year	65,700		
Sales	2,16,930		
Direct wages	51,450		
Works expenses	25,020		
Selling and distribution expenses	12,630		
Scrap sold	990		
Office expenses	20,610		

13. What do you mean by ABC analysis? What are its advantages?

14. Calculate the economic order quantity from the following particulars:

Annual usage	6,000 units
Cost of materials per unit	Rs. 20
Cost of placing and receiving one order	Rs. 60
Annual carrying cost	Rs. 2 per unit

15. From the following data given by personnel Dept. 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 discharged and 150 workers were recruited. Of these, 25 workers were recruited in the vacancies for those leaving, while the rest were engaged for an expansion scheme.

16. A factory has three production depts. A, B & C and two service depts. X and Y. The overhead cost of the different depts. incurred during March 2017 are as follows:

Dept.	A	B	C	X	Y
Cost (Rs.)	10,000	8,000	6,000	5,000	3,000

The cost of dept. X has to be charged in the ratio of 2:2:1 and those of dept. Y equally to depts. A, B and C respectively. Find the total overhead of the production departments.

17. The following information related to a contract of X Ltd. For the year ending 31.3.2011

Direct material	Rs. 3,00,000
Direct wages	Rs.2,20,000
Direct expenses	Rs.1,70,000
Indirect expenses	Rs.50,000

The contract price was Rs.12,00,000. The cash received on 31.3.2011 amounted to Rs.6,00,000 being 75% of work certified. The work uncertified was valued at Rs.40,000. Prepare contract account and find out the profit to be credited to P&L a/c.

18. From the following, prepare reconciliation statement:

	Rs.
Profit as per cost accounts	14,550
Works overhead under recovered	950
Administrative O.H under recovered	2,275
Selling O.H over recovered	1,950
Over valuation of opening stock in cost accounts	1,500
Over valuation closing stock in cost accounts	750
Interest earned during the year	375
Bad debts written off	900
Preliminary expenses written off	1,800
Rent received during the year	2,700

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

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

19. The particulars of a factory for the year 2016 are given below:

	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

In 2017, the expenses incurred on the execution of a work order:

Raw materials Rs.12,000; Wages Rs.7000; Assuming that in 2017 works overhead went up by 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 as in 2016?

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

20. From the following information, calculate:

- a) Maximum stock level b) Minimum stock level  
c) Re-order level d) Average stock level

Minimum consumption	240 units per day
Maximum consumption	420 units per day
Normal consumption	300 units per day
Re-order quantity	3,600 units
Re-order period	10-15 days
Normal Re-order period	12 days

21. Prepare a departmental distribution summary from the following details:

<i>Particulars</i>	<i>Production Depart-ments</i>			<i>Service Depart-ments</i>	
	A	B	C	X	Y
Direct material (Rs.)	18,000	12,000	10,000	6,000	4,000
Direct wages (Rs.)	11,000	8,000	7,000	4,000	2,000
Direct expenses (Rs.)	4,000	3,000	2,000	1,230	1,220
Area Sq.ft.	300	400	200	200	100
Plant and Mach. (Rs.)	80,000	70,000	60,000	20,000	—
No. of workers	40	35	25	20	10
Light points	25	20	15	10	10
Horse power	200	150	100	50	—

The expenses incurred by the company for the period are as follows:

General overhead	16,000
Rent	6,000
Lighting	800
Power	1,500
Store keeping	1,000
Amenities to workers	1,300
Depreciation of plant	6,900
Repairs of plant	2,300

The company decided to apportion the expenses of service department X in the ratio of direct wages and of Y in the ratio 5:3:2 to departments. A, B and C respectively.