

**B.Com.(A&F) DEGREE EXAMINATION, ODD SEMESTER 2020**  
**III Year V Semester**  
**Cost Accounting**

**Max.marks :25**

Answer any **FIVE** questions (5 × 5 = 25) Marks

1. Distinguish between Cost Accounting and Financial Accounting.
2. 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	9500 hours
Machine hour rate	Rs.2
Office overheads	20% of works cost
Selling overheads	50 paise per unit
Units produced	20,000 units
Units sold	18,000@ Rs.5 per unit.

Prepare Cost sheet showing the cost and the profit per unit and the total profit earned.

3. From the particulars given below write up the stores ledger card:

2001 Jan 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 each.
29	Issued	1,500 units.

Adopt the LIFO method of issue and ascertain the value of the closing stock

4. Two components A and B are used as follows:

Normal usage	3,000 units per week each
Minimum usage	1,500 units per week each
Maximum usage	4,500 units per week each
Reorder Quantity	A-13,000 units, B-14,000 units
Reorder period	A-4 to 6 weeks B-2 to 4 weeks

Calculate for each component:

a) Reorder level, b) Minimum level, c) Maximum level, d) Average stock level

5. Calculate the normal and overtime wages payable to a workman from the following data:

Days	Hours worked
Monday	8
Tuesday	12
Wednesday	10
Thursday	10
Friday	9
Saturday	4
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	53
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Normal working hours- 8 hours per day; on Saturday- 4 hours.

Normal rate- Rs. 2 per hour

Overtime rate- up to 9 hours in a day at single rate and over 9 hours in a day at double rate. Or up to 48 hours in a week at single rate and over 48 hours at double rate, whichever is more beneficial to the workers.

6. Krisna producing concern is divided in to four departments. A,B,C are production departments and D is a service department. The actual expenses for a period are as follows:

Particulars	Rs.
Rent	10,000
Repairs to plant	6,000
Depreciation of plant	4,500
Lighting expenses	1,000
Supervisory expenses	15,000
Fire insurance(on stock)	5,000
Power	9,000
Employers liability for insurance	1,500

The following information is available in respect of the four departments.

Particulars	A	B	C	D
Area (sq.feet)	1,500	1,100	900	500
Number of lights	75	11	9	5
Number of employees	200	150	100	50
Total wages (Rs.)	60,000	40,000	30,000	20,000
Value of plant (Rs.)	2,40,000	1,80,000	1,20,000	60,000
Value of stock (Rs.)	1,50,000	90,000	60,000	---

7. Work out the machine hour rate for the following machine whose scrap value is nil.
- a) Cost of machine Rs.3,60,000
  - b) Freight and installation Rs.40,000
  - c) Working life :20 years
  - d) Working hours: 8,000 per year
  - e) Repair Charges: 50% of depreciation
  - f) Power :10 units per hour at 10 paise per unit
  - g) Lubricating oil at Rs.2 per day of 8 hours.
  - h) Consumable stores at Rs.10 per day of 8 hours
  - i) Wages of operator at Rs.4 per day.