

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)**

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC) Chromepet,
Chennai — 600 044.

B.Com. END SEMESTER EXAMINATION APRIL/NOV - 2021

SEMESTER - V

18UCOCT5A13 - Cost Accounting

Total Duration : 3 Hrs	Total Marks : 75
MCQ : 30 Mins	MCQ : 15
Descriptive : 2 Hrs.30 Mins	Descriptive : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

- What is the scope of Cost Accounting?
- Explain the steps to be taken for the installation of a Costing system.
- Calculate prime cost, Factory cost, Cost of production, Cost of sales and Profit from the following:

Direct materials	Rs.10,000	Direct Labour	Rs.4,000
Direct expenses	Rs.500	Factory expenses	Rs.1,500
Administrative expenses	Rs.1,000	Selling expenses	Rs.300
Sales	Rs.20,000		
- 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 material is received within 4 to 6 weeks from issue of supply order. Calculate minimum stock level and maximum stock level of material A.
- Calculate the normal and overtime wages payable to a workman from the following data:

Days	Hours worked
Monday	8
Tuesday	10
Wednesday	9
Thursday	11
Friday	9
Saturday	4

Normal working hours: - 8 hours per day Normal rate: - Rs.0.50 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 workman.
- From the following particulars prepare the stores ledger account showing the pricing of materials issue, by adopting the FIFO method, with base stock of 400 units, out of opening stock.

2007

December	1 Opening stock	1,000 units at Rs.2.00 each
	3 Purchased	800 units at Rs.2.10
	5 Issued	800 units.
	12 Purchased	1,600 units at Rs.2.10 each
	17 Issued	1,500 units
	20 Purchased	900 units at Rs.2.50 each
	25 Issued	600 units.

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7. 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 these leaving while the rest were engaged for an expansion scheme.

8. Work out the machine hour rate for the following machine whose scrap 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 @ Rs.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.

Section C

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. The following details have been obtained from the cost records of ABC Ltd.

	Rs.
Stock of raw materials on 1.12.2010	75,000
Stock of raw materials on 31.12.2010	91,500
Direct wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work-in-progress 1.12.2010	28,000
Work-in-progress 31.12.2010	35,000
Purchase of raw materials	66,000
Factory rent, rates& power	15,000
Depreciation of Plant& machinery	3,500
Expenses on purchases	1,500
Carriage outwards	2,500
Advertising	3,500
Office rent and taxes	2,500
Travellers wages and commission	6,500
Stock of finished goods 1.12.2010	54,000
Stock of finished goods 31.12.2010	31,000

Prepare a Cost Sheet giving the maximum possible breakup of costs and profit.

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10. From the following particulars write up the priced stores ledger under Last In First Out method:

2019	Dec	1	Stock in hand 500 units at Rs.20
		3	Issued 200 units
		5	Purchased 150 units at Rs.22
		6	Issued 100 units
		9	Purchased 200 units at Rs.25
		12	Issued 300 units
		15	Returned to stores 10 units (issued on 6 th Dec)
		20	Issued 100 units
		27	Issued 50 units

On 30th it was noticed that there is a shortage of 10 units.

11. From the following particulars, calculate earnings of a worker under:

- (i) Time rate system
- (ii) Piece wage rate
- (iii) Halsey plan and
- (iv) Rowan plan

Wage rate – Rs.2 per hour

Production per hour – 4 units

Dearness allowance – Rs.1 per hour

Standard time fixed – 80 hours

Actual time taken – 50 hours

Production – 250 units.

12. Prepare a reconciliation statement from the following data:

	Rs.
Net loss as per cost accounts	3,44,800
Net loss as per financial accounts	4,32,890
Works overheads under-recovered in costing	6,240
Depreciation overcharged in costing	2,600
Administration overheads over recovered in costing	2,600
Interest on investments	17,500
Goodwill written off	92,000
Stores adjustment in financial books (cr)	950
Depreciation of stock charged in financial books	13,500

13. The following data were obtained from the books of Light engineering company for the half year ended 30th September. Calculate the departmental overhead rate for each of the production departments, assuming that overheads are recovered as a percentage of direct wages.

	Production department			Service department	
Particulars	A	B	C	X	Y
Direct wages [Rs.]	7,000	6,000	5,000	1,000	1,000
Direct materials [Rs.]	3,000	2,500	2,500	1,500	1,000
Employees [Nos.]	200	150	150	50	50
Electricity [Kwh]	8,000	6,000	6,000	3,000	3,000
Light points [Nos.]	10	15	15	5	5
Assets value [Rs.]	50	30	20	10	10
Area occupied [Sq.meters]	800	600	600	200	200

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The expenses for six months were:

Stores overheads	Rs.400	Depreciation	Rs.6,000
Motive Power	Rs.1,500	Repairs& Maintenance	Rs.1,200
Electric Lighting	Rs.200	General overheads	Rs.10,000
Labour welfare	Rs.3,000	Rent & taxes	Rs.600

Apportion the expenses of department X in the ratio of 4:4:3 and that of department Y in proportion to direct wages, to department A, B and C respectively.