

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.(A&F) END SEMESTER EXAMINATION APRIL/NOV - 2021

SEMESTER - V

11UAFCT5014 & UAF/CT/5014 - 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)

1. What are the limitations of cost accounting?
2. Prepare a statement of reconciliation from the following:

	Rs.
Net profit as per cost accounts	2,00,000
Income tax	60,000
Share transfer fee credited	4,000
Provision for doubtful debts	20,000
Overheads as per cost accounts	34,000
Overheads as per financial accounts	28,000
Director's fees in financial books only	8,000
Depreciation charged only in financial books	7,000
Closing stocks in cost accounts	18,750
Closing stocks in financial books	20,750
Goodwill written off	9,000
Stores adjustment(Credit in financial accounts)	1,000
Interest on investments	4,000

3. From the following data for the last twelve months compute reorder level, minimum level and average stock level of a stock item.

Maximum usage in a month 300 kgs

Minimum usage in a month 200 kgs

Average usage in a month 225 kgs

Time –lag in the procurement of materials : maximum -6 months :minimum -2 months ; Reordering quantity-750 kgs.

contd..

4. From the following particulars find the amount of cash required for payment of wages in a factory for the month of April 2008.

	Rs.
a) Wages for normal hours worked	2,05,000
b) Wages for overtime	22,000
c) Leave wages	17,000
d) Deduction of employee's share to ESI contribution	5,000
e) Employees contribution to provident fund	16,000
f) House rent to be recovered from 30 employees at the rate of Rs.100 per month.	

5. XYZ company gives the following information:

Total number of employees at the beginning of the month 2,010

Number of employees who are recruited during the month 30

Number of employees who left during the month 50

Total number of employees at the end of the month 1,990

Calculate labour turnover by applying three methods.

6. Explain the various elements of cost.

7. Calculate the machine hour rate for the following machine for the month of January 2019

Cost of machine Rs.90,000

Freight and installation Rs.10,000

Working life 10 years

Working hours 2,000 per year

Repair charges 50% of depreciation

Power 10 units per hour at 10 paise per unit

Lubricating oil at Rs. 2 per day of 8 hours

Stores at Rs.10 per day of 8 hours

Wages of operator at Rs.4 per day

8. From the following data for the year ended 31 Dec.2014 calculate inventory turnover ratio of the two items and determine fast moving material.

	Material A Rs.	Material B Rs.
Opening stock	25,000	87,500
Closing stock	15,000	62,500
Purchases	1,90,000	1,25,000

contd..

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Section C

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

9. The following data are extracted from Kishore Ltd for the year 2017

	Rs.
Opening stock of raw materials	25,000
Closing stock of raw materials	40,000
Purchase of raw materials	85,000
Carriage inwards	5,000
Direct wages	75,000
Indirect wages	10,000
Other direct charges	15,000
Rent and rates –factory	5,000
Rent and taxes –office	500
Indirect consumption of materials	500
Plant depreciation	1,500
Office furniture depreciation	100
Salary office	2,500
Other office expenses	900
Other factory expenses	5,700
Managing director' remuneration	12,000
Other selling expenses	1,000
Travelling expenses	1,100
Carriage outwards	1,000
Sales	2,50,000
Advance income tax paid	15,000
Advertisement	2,000

Managing director's remuneration is allocated as Rs.4,000 to the factory, Rs.2,000 to the office and Rs.6,000 to the selling department. From the above information construct cost sheet.

10. The following information is extracted from the stores ledger.

Jan .1 opening balance 500 units at Rs.4
5 .purchases 200 units at Rs.4.25
12.purchases 150 units at Rs.4.10
20.purchases 300 units at Rs.4.50
25.purchases 400 units at Rs.4

contd..

Issues of materials were as follows

Jan.4 . 200 units
 10. 400 units
 15. 100 units
 19. 100 units
 26. 200 units
 30. 250 units

Prepare stores ledger account under the principle of FIFO method .

11. What are the causes for labour turnover? What steps do you suggest to avoid labour turnover?
12. The following particulars relate to a manufacturing company which has three departments A,B, and C two service departments X and Y.

	Departments				
	A	B	C	X	Y
	Rs.	Rs.	Rs.	Rs.	Rs.
Total departmental overhead as per					
Primary distribution	6,300	7,400	2,800	4,500	2,000

The company decided to charge the service department cost on the basic of the following percentage:

	Production departments			service departments	
	A	B	C	X	Y
X	40%	30%	20%	-	10%
Y	30%	30%	20%	20%	-

Find the total overhead of production departments on the Repeated distribution method.

13. Calculate the total earnings and the hourly earnings of three workers. Under the Halsey and Rowan plans. The bonus under Halsey plan is 50% of the time saved. Standard time :20 hours: hourly rate of wages:RS.4: time taken by A-16 hours,B-10 hours ,C-8 hours.