

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.(Honours) END SEMESTER EXAMINATION APRIL/NOV - 2021

SEMESTER - III

20UBHCT3014 - Cost Accounting-I

<b>Total Duration : 3 Hrs</b>	<b>Total Marks : 75</b>
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 objectives of cost accounting? Discuss in detail.
2. Calculate economic order quantity from the following:  
Consumption during the year 600 units.  
Ordering cost Rs.12.  
Carrying cost 20%.  
Price per unit Rs.20.
3. From the following particulars, calculate the earnings of workers under,  
a) Time rate system   b) Piece rate system   c) Halsey plan   d) Rowan plan  
Wage rate – Rs.20 per hour; DA – Rs.20 per hour; Standard time allowed- 80 hours; Actual time taken- 50 hours.
4. From the following particulars, find out factory cost.

Particulars	(Rs.)	Particulars	(Rs.)
Direct materials	10,000	Director Fees	20,000
Direct wages	7,000	Advertising	6,300
Factory rent	3,000	Factory Lighting	7,350
Office rent	2,500	Sales Commission	75,000

5. From the following particulars, calculate  
a) P/V Ratio   b) Variable cost   c) Profit

	(Rs.)
Sales	80,000
Fixed expense	15,000
Break even point	50,000

Contd...

6. Compute the overheads allocable to production departments A and B from the following:

There are two service departments S1 and S2. S1 renders service to A and B in the ratio 5:3 and S2 renders to A and B in the ratio 3:1. Overheads as per primary overhead distribution are:

A- Rs.58,800; B- Rs.39,400;

S1- Rs.32,800; S2- Rs.12,400

7. What are the various components of total cost?
8. Explain different kinds of overhead absorption rates.

### Section C

#### Part A

Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. List out the differences between cost accounting and financial accounting.
10. The following data relate to the manufacture of a standard product during the month of May.

Raw materials consumed	Rs.20,000
Direct wages	Rs.12,000
Machine hours worked	9,500 Hours
Machine hour rate	Rs.2
Office on cost	10% of works cost
Selling on cost	Rs.2 per unit
Units produced	4,000
Units sold	3,600 @ Rs.20 per unit

You are required to prepare a cost sheet and find out the cost per unit and profit per unit and also total profit for the Month.

11. From the following particulars, prepare stores ledger account under LIFO and FIFO method.

The stock of a material as on 1<sup>st</sup> April 2012 was 200 units at Rs.2 each. The following purchases and issues were made subsequently.

2012	April 5	Purchases 100 units at Rs.2.20 each
	10	Purchases 150 units at Rs.2.40 each
	20	Purchases 180 units at Rs.2.50 each
	2	Issues 150 units
	7	Issues 100 units
	12	Issues 100 units
	28	Issues 200 units

Contd...

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12. The following details pertain to the production department of a factory:

<b>Particulars</b>	<b>(Rs.)</b>
Materials consumed	60,000
Direct wages	36,000
Machine hours	18,000
Labour hours worked	27,000
Factory overhead	54,000
Output during the year	9,000

Calculate overhead absorption rate under different methods possible from the above data.

**Part B**

Compulsory question (1 × 10 = 10 Marks)

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

Average Consumption	40 units
Normal usage	50 units per week
Minimum Consumption	25 units per week
Re-order quantity	A: 300 units B: 500 units
Re-order period	A: 4-6 weeks B: 2-4 weeks
Min. lead time for emergency purchases	A: 1 day B: 2 days

Calculate for the each component:

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