

**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 - V**

14UBHCT5A19 & UBH/CT/5A21- 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. In a factory a standard product is manufactured. From the following particulars prepare a cost sheet:

Materials consumed	Rs.40,000
Wages	Rs.60,000
Work overhead is charged at	40% of prime cost
Office overhead is taken at	20% on work cost
Selling overhead	Rs.2 per unit sold
Units produced and sold	175 units at Rs.1,200 each

3. From the following particulars, calculate
 - a. Maximum level
 - b. Minimum level
 - c. Reorder level
 - d. Normal usage 100 units per day
 - e. Minimum usage 60 units per day
 - f. Maximum usage 130 units per day
 - g. Reorder period 25 to 30 days
 - h. Reorder Quantity 1,000 units
4. Find out the economic ordering quantity from the following;
 - a. Annual consumption 20,000 units
 - b. Buying cost per order Rs.10
 - c. Cost per unit Rs.100
 - d. Cost of carrying inventory 10% of cost

contd...

5. From the following particulars prepare Labour cost per man day of 8 hours
- Basic salary Rs.2 per day
 - Dearness allowance 0.25 paise for every point over 100 cost of living index of working class. Current month cost of living is 700 points
 - Leave salary 10% of (a) and (b)
 - Employer contributions to provident fund 8% of (a), (b) and (c)
 - No. of working days in a month 25 days of 8 hours each
6. From the following particulars supplied by the personnel department of accompany. Calculate labour turnover by applying;
- Replacement method
 - Separation method
- Total number of employees at the beginning 2,010
 Total number of employees at the end 1,990
 Number of employees resigned 30
 Number of employees discharged 50
 Number of employees replaced 40
7. Explain the features of contract costing?
8. The profit as per cost accounts was Rs.1,50,000. Calculate the profit as per financial accounts on the basis of the following information:
- Works overheads were over recovered in cost accounts by Rs.10,000.
 - Administration expenses were under recorded in financial accounts by Rs.3,500
 - Depreciation charges over-recovered in cost accounts Rs.1,800
 - Interest received on investments Rs.900
 - Bad debts written off Rs.650

Section C

Part A

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

9. The accounts of a machine manufacturing company disclose the following information for six months ending 31st December 2018

Materials	1,50,000
Direct wages	1,20,000
Factory overheads	30,000
Administrative expenses	15,000

Prepare cost sheet for the half year and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs.1,250 and expenditure in productive wages Rs.750, so that the price might yield a profit of 20% on the selling price.

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SEMESTER - V
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10. Draw a stores ledger account recording the following transaction under FIFO method

2018 August 1	Opening stock 2,000 units at Rs.10 each
5	Received 1,000 units at Rs.11 each
6	Issued 500 units
10	Received 5,000 units at Rs.12 each
12	Received back 50 units out of the issue made on 6 th August
14	Issued 600 units
18	Returned to supplier 100 units out of goods received on 5 th
19	Received back 100 units out of the issue made on 14 th August
20	Issued 150 units

11. Compute the departmental overhead rates for each of the production departments, assuming that overhead are recovered as a percentage of direct wages:

Particulars	Production departments			Service departments	
	A	B	C	D	E
Direct wages	2,000	3,000	4,000	1,000	2,000
Direct materials	1,000	2,000	2,000	1,500	1,500
Staff	100	150	150	50	50
Electricity	4,000	3,000	2,000	1,000	1,000
Light points	10	16	4	6	4
Assets value	60,000	40,000	30,000	10,000	10,000
Area occupied	150	250	50	50	50

The expenses for the period were:

Motive power	550
Lighting power	100
Stores overhead	400
Depreciation	15,000
Amenities to staff	1,500
Repairs and maintenance	3,000
General overhead	6,000
Rent and taxes	275

Apportion the expenses of service department E proportionate to direct wages and that to service department D in the ratio of 5:3:2 to departments A,B, and C.

12. Distinction between Financial Accounting and Cost Accounting.

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Part B

Compulsory question (1 × 10 = 10 Marks)

13. Mr. Sai Krishna undertook a contract for the construction of houses on 1st January 2018. The contract price was Rs.22,50,000

Materials purchased	3,50,000
Materials issued from stores	45,000
Labour	1,30,000
Plant installed at site	1,80,000
Direct expenses	80,000
Establishment charges	22,000
Material returned to stores	18,000
Materials on hand at the end	8,000
Plant in hand at the end	1,30,000
Works uncertified	95,000
Cash received (80% work certified)	8,00,000

Prepare contract account.