

**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.(PA) END SEMESTER EXAMINATION APRIL/NOV - 2021
SEMESTER - V
19UPACT5014 - 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 × 5 = 30) Marks

1. Explain the advantages and disadvantages of Cost Accounting System.
2. Describe ABC Analysis in detail.
3. Explain the causes of Labour Turnover.
4. From the following particulars ascertain the amount of profit shown in profit and loss account by preparing necessary reconciliation account:

Rs.

(a) Profit shown as per cost books	1,40,000
(b) Depreciation shown excess in cost books	2,000
(c) Interest on investment received	1,000
(d) Provision made for Income Tax	40,000
(e) Income received for share transfer	150
(f) Factory overhead under recovered in cost books	3,000
(g) Office expenses under recorded in financial books	1,000

5. From the following information calculate:

- a. Economic order quantity
- b. Reorder level
- c. Maximum level
- d. Minimum level

Normal usage 150 units per day. Minimum usage 100 units per day. Maximum usage 200 units per day. Reorder period 50 to 60 days. The annual usage is 50,000 units. The cost of purchase is Rs. 100 per order. Cost per unit is Rs. 1.00. Carrying cost is 10% per annum.

6. Materials used Rs. 105

Direct Wages Rs. 140

Direct Labour hours – 35 hrs

Estimated Factory overhead for the year Rs. 52,500

Estimated Labour hours for the year 1,05,000

Compute the overhead to be charged on the basis of the Direct Labour Hour Rate.

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7. From the following particulars compute the machine hour rate

Cost of the machine Rs.11,000

Scrap value Rs.680

Repairs for the effective working life Rs.1,500

Standing charges for 4 weekly period Rs.40

Effective working life 10,000 hours

Power used: 6 units per hour at 5 paise per unit

Hours worked in 4 weekly period: 120 hours.

8. Prepare Process Accounts from the following details:

	I Rs.	II Rs.
Materials	40,000	6,000
Labour	15,000	16,000
Expenses (Direct)	5,000	3,000

Production overhead Rs. 60,000 to be allocated to Process I and II on the basis of 150% of direct wages. Production during the period 2,000 units.

Section C

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

9. Explain the different methods of incentive payments.

10. A manufacturing company submits to you the following details about the various expenses incurred by it during the year ended 31st December 2016. Prepare cost sheet and also show the expenses which shall not be included in calculating the cost.

	Rs.
Cost of raw materials consumed	25,000
Advertising	1,000
Depreciation on plant and machinery	1,500
Factory office salaries	6,000
Legal expenses	300
Supervisor's salary	5,500
Factory rates and insurance	1,000
Carriage outwards	1,500
Direct labour	20,000
Bad debts	300
Office stationery	200
Rent of factory	2,500
Office salaries	10,000
Commission on sales	4,000
Audit fees	300
Income tax	1,500
Donation to charitable institutions	500
Purchase of new plant	10,000

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11. From the below particulars prepare stores ledger account under:

- a. LIFO method
- b. Simple average method.

Jan

1	Purchased	4,000 units at Rs. 4 per unit.
5	Purchased	500 units at Rs. 5 per unit.
10	Issued	2,000 units.
12	Purchased	6,000 units at Rs. 6 per unit.
15	Issued	4,000 units.
20	Issued	1,000 units.
21	Issued	2,000 units.
22	Purchased	4,500 units at Rs.5.50 per unit.
25	Issued	3,000 units.

12. Aditya producing concern is divided into five departments. 'A', 'B', 'C' are production departments and 'D' and "E" is a service department. The actual expenses for a period are as follows:

	Rs.
Rent	5,000
Indirect wages	1,500
Depreciation of plant	10,000
Lighting expenses	600
Power	1,500
Sundries	10,000

The following information relates to five departments.

	Departments					
	Total	A	B	C	D	E
Floor space in square feet	10,000	2,000	2,500	3,000	2,000	500
Light points	60	10	15	20	10	5
Direct wages (Rs.)	10,000	3,000	2,000	3,000	1,500	500
H.P of machines	150	60	30	50	10	-
Value of machinery (Rs.)	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the costs to the various departments on the most equitable method.

13. A product passes through three processes A, B and C. 10,000 units at Rs. 1 per unit were issued to process 'A'. The others direct expenses were:

	Process A	Process B	Process C
	Rs.	Rs.	Rs.
Sundry materials	1,000	1,500	1,480
Direct labour	5,000	8,000	6,500
Direct expenses	1,050	1,188	1,605

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The wastage of process A was 5 %, process B 4% and process C 5%. The wastage of process A was sold at Rs. 0.25 per unit, that of B at Rs. 0.50 per unit and that of C at Rs. 1 per unit. The overhead charges were 168% of direct labour. The final product was sold at Rs. 10 per unit, fetching a profit of 20% on sales. Prepare process accounts and finished goods account.