

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 EXAMINATIONS NOVEMBER-2022
 SEMESTER - V
20UCOCT5013 - Cost Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

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

- State the objectives of Cost Accounting.
- The profit and loss account of Banumathy India Pvt. Ltd. for the year 31st March, 1997 is as follows:

Particulars	Amount in Rs.	Particulars	Amount in Rs.
To Materials	4,80,000	By Sales	9,60,000
To wages	3,60,000	By Closing stock	1,80,000
To Dt. Exps.	2,40,000	By WIP:	
		Materials	30,000
		Wages	18,000
		Dt.Exps.	12,000
To Gross profit	1,20,000		
	12,00,000		12,00,000
To Administrative Exps.		By Gross Profit	1,20,000
	60,000		
To Net profit	60,000		
	1,20,000		1,20,000

As per the cost records the direct expenses have been estimated at a cost on Rs.30 per Kgs. and administrative expenses at Rs.15 per kg. The profit as per the costing records is Rs.1,10,400. During the year 6,000 kg were manufactured and 4, 800 kgs were sold.

Prepare a statement of costing profit and loss account and reconcile the profit with the financial records.

- An employee working under a bonus scheme saves time in a job for which the standard time is 60 hours. Calculate the rate per hour worked and wages payable to a worker, if incentive bonus of 10% on the hourly rate is payable, when standard time (viz. 100% efficiency) is achieved and a further incentive bonus of 1% on hourly rate for each 1% in excess of the 100% efficiency is payable. Assume that normal rate of payment is Rs.5 per hour. Actual time taken is 50 hours.
- Compute the earnings under Halsey and Rowan Plan
 Time allowed = 48 hours
 Time taken = 40 hours
 Rate per hour = Re.1
- Calculate
 (a) **Economic Order Quantity**
 Annual requirements 1,600 units
 Cost of materials per unit Rs.40
 Cost of placing and receiving the order Rs.50
 Annual carrying cost of inventory 10% of inventory value.

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(b) **Material turnover ratio and determine the fast moving material:**

Particulars	Material X (Rs.)	Material Y(Rs.)
Opening Stock	25,000	87,500
Closing stock	15,000	62,500
Purchases	1,90,000	1,25,000

6. 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		

7. 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.

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.
- a) Works overheads were under recovered in cost accounts by Rs.6,200.
 - b) Administration expenses were under recorded in financial accounts by Rs.2,750.
 - c) Depreciation charges over – recovered in cost accounts Rs.1,900.
 - d) Interest received on investments Rs.1,000.

Section B

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

9. 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

10. Apply Taylors Differential Piece rate system to find out the earnings of the worker from the following data.

Standard time per piece 20 minutes;

Normal rate per hr Rs.1.50;

In a day of 9 hrs, X produces 25 units and Y produces 30 units.

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11. The modern company is having four departments A,B,C and D. The actual costs for a period are as follows:

	Rs.
Rent	2,000
Repairs	1,200
Depreciation	900
Lighting	200
Supervision expenses	3,000
Insurance of stock	1,000

The following data are also available:

	Dept. A	Dept. B	Dept. C	Dept. D
Area sq.ft	150	110	90	50
No.of workers	24	16	12	8
Value of plant (Rs.)	24,000	18,000	12,000	6,000
Value of stock (Rs.)	15,000	9,000	6,000	-

Apportion the costs to the various departments.

12. Mr.Vasanth commenced a contract on 1st April 1991. The following was the expenditure on the contract for Rs.3,00,000
Materials issued Rs.51,000
Plant used Rs.15,000
Wages Rs.81,000
Other expenses incurred Rs.5,000
Cash received on account of the contract up to 31st march 1992 amounted to Rs.1,28,000, being 80% of the work certified. Of the plant and materials charged to the contract, plant which costs Rs.3,000 and materials worth Rs.2,500 were lost. On 31st march, 1992 the cost of the work done but not certified was Rs.1,000. Materials in hand were Rs.2,300. Charge 15% depreciation on plant. Ascertain the profit of the contract up to 31st March 1992 and also show the relevant entries in the balance sheet.
13. Describe the meaning of Cost accounting and Classify the types of Costs.
