

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.(CS) END SEMESTER EXAMINATIONS NOVEMBER-2022
 SEMESTER - V
20UBCCT5013 - Cost Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

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

1. Explain the objectives of cost accounting.
2. Discuss the essentials of good costing system.
3. Prepare cost sheet from the following information

Particulars	Amount(Rs.)
Material consumed	20,000
Wages	18,000
Works Overhead charges	15,000
Office overhead charges	16,000
Selling overhead charges	4,000
Sales	1,00,000

In cost records works overhead charges are recorded at 100% and office overhead charges are recovered at 25% on work cost. Selling expenses are charged at 10% sales.

4. From the following particulars, calculate:
 i) Re-order level, ii) minimum Level & iii) Maximum Level
 Normal Usage 100 Units per day
 Minimum Usage 60 Units per day
 Maximum usage 130 units per day
 Economic order quantity 5,000 units
 Re-order period 25-30days
5. Compute the economic ordering from the following particulars
 Annual consumption: 600 units
 Ordering Cost: Rs.12 per order
 Cost of Material: Rs.20 per unit
 Annual carrying cost of one unit: 20%
6. Discuss the Causes of Labour Turnover.
7. In a light engineering factory, the following particulars have been collected for the three months period ended on 31st March 2018. You are required to re-apportion the service department expenses to production department.

Expenses as per Primary Distribution Summary	Production Department			Service Department	
	P1	P2	P3	S1	S2
	Rs.	Rs.	Rs.	Rs.	Rs.
	8,850	7,165	6,285	4,515	6,010

Apportion the expenses of service department S2 in proportion of 3:3:4 and those of service department S1 in the ratio of 3:1:1 to departments P1, P2 and P3 respectively.

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8. What basis would you follow for distribution of the following overhead expenses to department?
- Municipal Rent
 - Store service expenses
 - Employees state insurance
 - Factory Rent
 - Rent and Taxes
 - Insurance on building and Machinery

Section B

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

9. Examine the various installing costing system for a manufacturing concern.
10. Calculate Prime Cost, Factory Cost, Cost of production, Cost of Sales and Profit from the following

Particulars	Total Rs.	Particulars	Total Rs.
Materials	1,00,000	Consumable Stores	2,500
Wages	30,000	Directors fee	1,250
Wages for Foreman	2,500	Managers Salary	5,000
Storekeeper wages	1,000	Office Stationery	500
Lighting:		Telephone Charges	125
Factory	1,500		
Office	500		
Electric power	500	Postage	250
Oil and water	500	Salesman Salary	1,250
Rent		Travelling Expenses	500
Factory	5,000		
Office	2,500		
Repairs and renewals		Depreciation	
Factory	3,500	Factory	500
Office	500	Office premises	1,250
Transfer to Reserve	1,000	Warehouse Charges	500
Income Tax	10,000	Sales	1,89,500
Advertising	1,250	Carriage Outward	375

11. The following transactions occur in the purchase and issue of a material.

Jan 2 purchased 4,000 units @ Rs.4.00 per unit
Jan 20 purchased 500 units @ Rs.5.00 per unit
Feb 5 Issued 2,000 units
Feb 10 purchased 6,000 units @ Rs.6.00 per unit
Feb 12 Issued 4,000 units
March 2 Issued 1,000 units
March 5 Issued 2,000 units
March 15 purchased 4,500 units @ Rs.5.50 per unit
March 20 Issued 3,000 units

From the above, prepare the stores ledger account by adopting the FIFO method.

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12. Calculate the earnings of workers A and B under Straight-Piece- rate System and Taylors Differential Piece rate system from the following particulars:

Normal rate per Hour : Rs.1.80.

Standard time per unit: 20 seconds.

Differentials to be applied.

80% of Piece rate below standard.

120% of piece rate at or above the standard.

Worker A produces 1,300 units per day and worker B produces 1,500 units per day.

13. The following particulars relate to a manufacturing company which has three production departments P1, P2 and P3 and two service departments S1 and S2.

Total departmental overheads as per primary distribution is as follows

Production Department			Service Department	
P1	P2	P3	S1	S2
Rs.	Rs.	Rs.	Rs.	Rs.
6,50,000	6,00,000	5,00,000	1,20,000	1,00,000

The company decided to charge the service departments cost on the basis of following percentage:

Service Department	Production Department			Service Department	
	P1	P2	P3	S1	S2
S1	30%	40%	15%	-	15%
S2	40%	30%	25%	5%	-

Ascertain overheads of production departments charging service departments costs to production departments on simultaneous equation distribution.
