

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.(Hons) - END SEMESTER EXAMINATIONS NOVEMBER - 2023

SEMESTER - III

**20UBHCT3014 - Cost Accounting - I**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

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

1. Calculate works cost from the following

Particulars	Rs.
Materials	60,000
Labour	40,000
Direct expenses	10,000
Factory overheads	50,000
Opening Work-in-progress	10,000
Closing Work-in-progress	8,000

2. Compute Halsey Plan

Standard time : 10 hours

Time taken : 8 hours

Time rate : Rs.2.50 per hour

3. Ascertain the prime cost percentage rate of work overhead

The works overheads of a department are Rs.3,00,000

The direct material costs is Rs.9,00,000

The direct wages are Rs.3,00,000

4. You are required to calculate

(i) Labour cost variance

(ii) Labour rate variance

(iii) Labour efficiency variance

Standard rate of wages per hour Rs.10

Standard hours 300 hours

Actual rate of wages per hour Rs.12

Actual hours 200 hours

5. Find out the Economic Order Quantity (EOQ) from the following particulars:

Annual usage : 6,000 units

Cost of material per unit : Rs.20

Cost of placing and receiving one order Rs.60. Annual carrying cost of one unit 10% of inventory value.

6. Raghavendra metal company gives the following information:

Number of employees on 1/4/99 : 200

Number of employees on 31/3/2000 : 240

Number of employees resigned : 20

Number of employees discharged : 5

Number of employees replaced : 18

Calculate labour turnover under

(a) Separation method

(b) Replacement method

**Contd...**

7. Calculate machine hour rate from the following:  
 Cost of machine Rs.19,200  
 Estimated scrap value Rs.1,200  
 Repair charges per month Rs.150  
 Standing charges allocation to machine per month Rs.50  
 Effective working life of machine 10,000 hours  
 Running time per month 166 hours  
 Power used by machine 5 units per hour at 19 Paise per unit.
8. What is standard costing? List any three advantages of standard costing.

### Section C

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

9. The following details have been obtained from the cost records of Raja sekhar Ltd.,

Particulars	Rs.
Stock of raw materials on 1 <sup>st</sup> Dec 2010	75,000
Stock of raw material on 31 <sup>st</sup> Dec 2010	91,500
Direct Wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work in progress 1 <sup>st</sup> Dec 2010	28,000
Work in progress 31 <sup>st</sup> Dec 2010	35,000
Purchase of raw materials	66,000
Factory rent rates and power	15,000
Depreciation of plant and machinery	3,500
Expenses on purchases	1,500
Carriage outwards	2,500
Advertising	3,500
Office rent and taxes	2,500
Traveller's wages and commission	6,500
Stock of finished goods 1 <sup>st</sup> Dec 2010	54,000
Stock of finished goods 31 <sup>st</sup> Dec 2010	51,000

Prepare a cost sheet giving the maximum possible break up of cost and profit.

10. X company has purchased and issued materials as under:

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June 1<sup>st</sup> Stock of materials 200 units at Rs.2.50 per unit  
 June 2<sup>nd</sup> Purchased 300 units at Rs.3 per unit  
 June 7<sup>th</sup> Purchased 500 units at Rs.4 per unit  
 June 10<sup>th</sup> Issued 600 units  
 June 12<sup>th</sup> Purchased 400 units at Rs.4 per unit  
 June 18<sup>th</sup> Issued 500 units  
 June 24<sup>th</sup> Purchased 400 units at Rs.5 per unit  
 June 28<sup>th</sup> Issued 200 units

Prepare the stores ledger under FIFO Method.

11. What are the features of a good wage system?

12. The following details are furnished by a manufacturer of a product.

Direct materials	Rs.75,000
Direct wages	Rs.30,000
Machine hours	20,000
Labour hours	50,000
Work overhead	Rs.15,000

Calculate the different overhead absorption rates.

II - Compulsory question (1 × 10 = 10 Marks)

13. Explain the advantages and limitations of standard costing system.

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