

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 EXAMINATIONS NOVEMBER -2023
SEMESTER - V

21UPACT5014 - Cost Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section B

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

1. Distinguish between Cost accounting and Management accounting.
2. Prepare a statement of reconciliation statement from the following:

Particulars	Rs.
Net profit as per cost accounts	2,00,000
Income tax	60,000
Share transfer fee credited	4,000
Provision for doubtful debts	20,000
Overheads as per cost accounts	34,000
Overheads as per financial accounts	28,000
Director's fees in financial books only	8,000
Depreciation charged in financial books	7,000
Closing stock in cost accounts	18,750
Closing stock in financial accounts	20,750
Goodwill written off	9,000
Stores adjustment (credit in financial a/c)	1,000
Interest on investment	4,000

3. The following information pertaining to a firm is available:

Annual Consumption	12,000 units (360 days)
Cost per unit	Re.1
Cost per order	Rs.12
Inventory carrying cost :	20%p.a
Lead time (Maximum, Normal and Minimum)	30-15-5(days)
Daily consumption (Maximum, Normal and Minimum)	45-33-15(units)

Calculate

(a) EOQ, (b) Re-order level, (c) Maximum stock level, (d) Minimum Stock level

4. You are required to ascertain the wages paid to workers X and Y under Taylor's differential piece rate system from the following information:

Standard time allowed – 40 units per hour

Normal wage rate – Rs.4 per hour

Differential rates to be applied:

75% of piece rate below standard

125% of piece rate above standard

The workers have produced in a day of 8 hours as follows:

X – 240 units and Y – 400 units

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5. In a factory workers are paid at Rs.50 per hour. During the month of April 2010, there were 25 working days of 8 hours each.
There is also a 'piece work plan' where in Rs.10 is to be paid per piece produced.
During the month workers 'X' produced on average 48 pieces per working day.
Ascertain the wages of workers 'X' under
(a) Time wages
(b) Piece wages
6. During July 2013, works overhead incurred in a factory were Rs.1,60,000. The machine hours worked during the month were Rs.40,000 hours. You are required to ascertain the machine hour rate to be charged to the output to recover the works overheads.
7. In process, 100 units of raw materials were introduced at a cost of Rs.1,000. The other expenditure incurred by the process was 600 of the units introduced, 10% are normally lost in the course of manufacture and they possess a scrap value of 3 each. The output of Process was only 75 units. Calculate the value of abnormal loss & final output.
8. Discuss the advantages and disadvantages of Job costing.

Section C

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

9. The following data have been extracted from the books of ABC Ltd., for the calendar year 2020.

Particulars	Rs.
Direct material	75,500
Direct wages	85,000
Direct expenses	15,900
Rent and rates of factory	5,000
Depreciation of plant	1,500
Director's remuneration to factory	4,000
Rent and rates of office	500
Depreciation of office furniture	100
Office salary	2,500
Director's remuneration to office	2,000
Other office expenses	5,700
Salesman's salary	2,000
Travelling expenses	1,100
Carriage outward	1,000
Advertisement	2,000
Director's remuneration to selling department	6,000
Other selling expenses	1,000
Sales	2,50,000

From the above information, calculate Prime cost, Works cost, Cost of production, Cost of sales and Net profit.

10. Prepare stores ledger account under LIFO and Weighted average method:

	Receipts:
Day 1	40 units at Rs.15 p.u.
Day 2	20 units at Rs.16.50 p.u.
Day 4	50 units at Rs.17.10 p.u.
	Issues:
Day 3	30 units
Day 5	20 units
Day 6	40 units

11. The wage sheet of a manufacturing company contains the following details.

Basic salary is Rs.50 per day. Dearness allowance is Rs.2 for every point over 100 cost of living index. Present cost of living index is 100 points.

Leave salary is 12% of the basic salary and dearness allowance.

Employer's contribution to provident fund is 8% of the basic, dearness allowance and leave salary.

Employer's contribution to ESI is 2% of the basic, dearness allowance and leave salary.

Entertainment allowance to labour is Rs.120 per month.

Number of working days in a month is 20 days of 8 hours each, calculate labour cost per man day of 8 hours.

12. The following information of a company. Compute departmental overhead distribution summary.

Particulars	Rs.
Rent	6,000
Maintenance	3,600
Depreciation	2,700
Electricity Charges	600
Supervision	9,000
Insurance premium	3,000
Employer's contribution to provident fund	900
Power	5,400

The following additional information were also given for the purpose of apportionment:

Particulars	Production Departments			Service departments
	A	B	C	D
Area in Sq. meters	150	110	90	50
No. of. workers	48	32	24	16
Total direct wages (Rs.)	8,000	6,000	4,000	2,000
Value of Machinery (Rs.)	24,000	18,000	12,000	6,000
Stock in hand (Rs.)	15,000	9,000	6,000	—

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13. Job No.58 passes through three departments: X, Y, and Z. The following information is given regarding this job: Calculate the cost of Job No.58 from the below figures.

Material	Department	Department	Department
	X (Rs.)	Y (Rs.)	Z (Rs.)
Material Issued to Job	8,000	1,000	500
Direct labor hours for job	1,000	2,000	5,000
Rate of Direct labor per hour	Re.1.00	Re.1.50	Re.2.00
Sale of Scrap material arise from job	1000	150	100
Total overhead for the department	10,000	15,000	25,000
Total labor hours for the departments	10,000	30,000	40,000
