

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. CA - END SEMESTER EXAMINATIONS APRIL - 2024

SEMESTER - V

21UCCCT5011 - Elements of Cost Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Difference between Cost Accounting and Management Accounting.
2. Explain cost centre and profit centre.
3. The information given below has been from the costing records of an engineering works in respect of job 303.

Materials Rs.3,400

Wages:

Dept. A - 80 hours at Rs.2.50 per hour

Dept. B - 60 hours at Rs.4 per hour

Variable overheads:

Dept. A - Rs.5,000 for 4,000 hours

Dept. B - Rs.6,000 for 3,000 hours

Fixed overheads Rs.7,500 for 10,000 hours.

Calculate the price to be charged if the profit expected on cost is 10%.

4. Ascertain the profit as per the financial books from the following information:

	Rs.
Profit as per cost accounts	25,000
Closing stock over valued in cost books	12,500
Preliminary expenses written off	3,000
Profit on sale of building	30,000
Administrative expenses over recovered in cost books	50,375
Works overhead under recovered in cost books	30,375
Bank interest and transfer fee in financial books	5,000
Interest on investment recorded in financial books	10,000
Depreciation shown in excess in cost books	4,000
Provision made for income tax	40,000

5. Calculate Maximum level and Minimum level from the following details

Re-order Quantity - 1,500 units

Re- order period - 10 to 15 days

Maximum consumption - 150 units

Normal consumption - 120 units

Minimum consumption - 100 units

Normal reorder period - 12 days.

Contd...

6. From the following details, ascertain the amount of cash required for payment of salaries in a firm for the month of January.
- Normal time salaries Rs.65,000
 - Dearness allowance: 20% of (1) above
 - Leave wages 5% of (1) and (2) above
 - Employee's contribution to E.S.I and P.F 3% and 5% respectively on (1) and (2) above
 - Income tax deduction at source Rs.4,000
 - Deduction for insurance premium Rs.5,000
 - Festival advance to be recovered from 60 employees at Rs.100 per employee.
7. The following information is extracted from the records of a company for the month of Oct. 2008.
- | | |
|---|------|
| Number of employees at the beginning of the month | 950 |
| Number of employees at the end of the month | 1050 |
| Number of employees resigned | 10 |
| Number of employees discharged | 30 |
| Number of employees replaced in the vacancies | 20 |
| Number of employees appointed due to expansion scheme | 120 |
- Calculate the labour turnover rate.
8. Calculate the machine hour rate for Machine A from the following data:
- 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.

Section C

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

9. Explain the classification of cost.
10. The following data relate to the manufacture of a product during the month of January:
- | | |
|----------------------|------------------------|
| Materials consumed | - Rs.80,000 |
| Direct wages | - Rs.48,000 |
| Machine hours worked | - 8,000 Hrs |
| Machine hour rate | - Rs.4 |
| Office overhead | - 10% on work cost |
| Selling overhead | - Rs.1.50 per unit |
| Units produced | - 4,000 |
| Units sold | - 3,600 at Rs.50 each. |
- Prepare a cost sheet.
11. Senthil Ltd., has purchased and issued materials under:
- | | |
|-------|--|
| Jan 1 | Opening stock 1,000 units at Rs.26 per unit. |
| 5 | purchased 500 units at Rs.24.50 each. |
| 7 | Issued 750 units. |
| 10 | Purchased 1,500 units at Rs.24 each. |
| 12 | Issued 1,100 units. |
| 15 | Purchased 1,000 units at Rs.25 each. |

- 17 Issued 500 units.
- 18 Issued 300 units.
- 25 Purchased 1,500 units at Rs.26 each.
- 29 Issued 1,500 units.

Prepare the stores ledger under FIFO method.

12. Calculate the earnings of 3 workers A, B and C under 'Merrick's Multiple piece rate system' Given the following:

Standard production per day: 150 units

Normal piece rate: Re.0.50 per unit

Production of workers on a particular day:

A 120 units

B 140 units

C 160 units.

13. Krishna producing concern is divided into four departments. A,B,C are production departments and D is a service department. The actual expenses for a period are as follows:

Rent	10,000
Repairs to plant	6,000
Depreciation of plant	4,500
Lighting expenses	1,000
Supervisory expenses	15,000
Fire insurance (on stock)	5,000
Power	5,000
Employer's liability for insurance	1,50

Particulars	Departments			
	A	B	C	D
Direct wages (Rs.)	60,000	40,000	30,000	20,000
Value of stock (Rs.)	1,50,000	90,000	60,000	-
No. of employees	200	150	100	50
Light points (Rs.)	75	11	9	5
Plant value (Rs.)	2,40,000	1,80,000	1,20,000	60,000
Area occupied (sq.mts.)	1500	1,100	900	500

Apportion the costs to the various departments under primary distribution method.
