

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 - NOV'2024

SEMESTER - V

24UCOCT5014 - Cost Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Explain about the steps necessary to install the costing system.
2. From the following information calculate:
 - i. Economic order quantity
 - ii. Reorder level
 - iii. Maximum level
 - iv. Minimum level

Normal usage 150 units per day. Minimum usage 100 units per day. Maximum usage 200 units per day. Reorder period 50 to 60 days. The annual usage is 50,000 units. The cost of purchase is Rs.100 per order. Cost per unit is Rs.1.00. Carrying cost is 10% per annum

3. Calculation the earnings of a worker under (a) Halsey premium plan and (b) Rowan scheme.
 Time allowed = 48 hours
 Time taken = 40 hours
 Rate per hour = Rs.1
4. Develop the functional classification of overheads.
5. During the year 2008, X Ltd., produced 50,000 units of a product. The following were the expenses:

Stock of raw materials in 1.1.2008	10,000
Stock of raw materials on 3.12.2008	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a cost sheet showing cost per unit and total cost at each stage.

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6. Find out the economic order quantity and the number of orders per year from the following information.
 Monthly consumption 3,000 units
 Cost per unit Rs.54
 Ordering cost Rs.150 per order
 Inventory carrying cost 20% of the average inventory.
7. From the following particulars calculate the earnings of workers A and B under straight piece rate system and Taylor's differential piece rate system.
 Standard time allowed 25 units per hour
 Normal time rate Rs. 50 per hour
 In a day of 8 hours A produced 150 units and B produced 250 units.
8. The production overhead of department A – 12 in a factory is budgeted at Rs.80,000. It is anticipated that the labour hours worked during the same period will be 10,000 hours. Calculate the labour hour rate for the purpose of overhead absorption.

Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Derive the classification of cost.
10. Calculate the Prime cost, Factory cost, Cost of production, Cost of sales and Profit from the following particulars:

	Rs.		Rs.
Direct Materials	1,00,000	Depreciation:	
Direct Wages	30,000	Factory Plant	500
Wages of Foreman	2,500	Office Premises	1,250
Electric power	500	Consumable stores	2,500
Lighting: Factory	1,500	Manager's Salary	5,000
Office	500	Directors' fees	1,250
Store keeper's wages	1,000	Office Stationery	500
Oil and water	500	Telephone Charges	125
Rent: Factory	5,000	Postage and Telegrams	250
Office	2,500	Salesmen's salary	1,250
Repairs and Renewals:		Travelling expenses	500
Factory plant	3,500	Advertising	1,250
Office Premises	500	Warehouse charges	500
Transfer to Reserves	1,000	Sales	1,89,500
Discount on shares written off	500	Carriage outward	375
Dividend	2,000	Income-tax	10,000

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11. Using information given, draft stores ledger account showing quantities and value of receipts, issues and balance in hand under LIFO method of pricing stores issues.
- Jan, 1 Balance in hand 1,000 units Rs.1 each
- Jan, 4 Received 500 units to be issued on request from department X, Rate Rs. 2 each
- Jan, 15 Received 3,000 units costing Rs.3,300
- Jan, 30 Issued 2,000 units
- Feb, 8 Issued 500 units (Received on Jan, 4) to department X.
- Feb, 12 Received 2,000 units costing Rs.2,400
- Feb, 27 Issued 3,400 units

12. From the following particulars, calculate earnings of a worker under:

- i. Time rate system
- ii. Piece wage rate
- iii. Halsey plan and
- iv. Rowan plan

Wage rate – Rs.2 per hour

Production per hour – 4 units

Dearness allowance – Rs.1 per hour

Standard time fixed – 80 hours

Actual time taken – 50 hours

Production – 250 units

13. Kumaresh Ltd., has three production departments A,B and C and two service departments D and E. The following figures are extracted from the records of the company.

Particulars	Rs.	Particulars	Rs.
a) Rent and rate	5,000	d) General lighting	600
b) Indirect wages	1,500	e) Power	1,500
c) Depreciation of machinery	10,000	f) Sundries	10,000

Following further details are available:

	Total	A	B	C	D	E
Floor space in square feet	10,000	2,000	2,500	3,000	2,000	500
Light points	60	10	15	20	10	5
Direct wages (Rs)	10,000	3,000	2,000	3,000	1,500	500
H.P of machines	150	60	30	50	10	-
Value of machiner (Rs)	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the cost to various department on the most equitable basis by preparing a primary department distribution summary.
