

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 - NOV'2024

SEMESTER - V

**21UBCCT5013 - Cost Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

1. What are the objectives of cost accounting?
2. The profit shown in the financial accounts was Rs.1,12,870 and for the same period the cost accounts showed a profit of Rs.27,040 Examination of the accounts shows the following differences

	<b>Cost Accounts (Rs.)</b>	<b>Financial Accounts (Rs.)</b>
Depreciation	98,260	1,05,200
Stock Valuation		
Opening	2,75,100	2,55,000
Closing	1,82,180	187,500
Profit on sale of assets	-	8,500
Dividend received	-	26,350
Imputed rent charge	32,500	

Reconcile the profit figures.

3. Compute the Economic ordering quantity from the following particulars  
Annual usage : 6,000 Units  
Cos of material per unit : Rs.20  
Cos of placing and receiving one order : Rs.60  
Annual carrying cost of one unit : 10% of inventory value
4. Explain the stock control through ABC analysis.
5. What are the causes of labour turnover?
6. From the following information, compute the labour turnover rate and labour flux rate:  
Number of workers at the beginning of the year: 3,800  
Number of workers at the end of the year: 4,200  
During the year 40 workers leave while 160 workers are discharged. 600 workers are required during the year, of these 150 workers are recruited because of leavers and the rest are engaged in accordance with an expansion scheme.

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7. Show the basis would you follow for distribution of the following overhead expenses to department
- Store service expenses
  - Employees state insurance
  - Factory Rent
  - Municipal Rent and Taxes
  - Insurance on building and Machinery
  - Light expenses
  - Welfare Department expenses
  - Creche expenses
  - Electric Light
  - Fire insurance
8. The following particulars relate to a manufacturing company which has three production departments P<sub>1</sub>, P<sub>2</sub> and P<sub>3</sub> and two service departments S<sub>1</sub> and S<sub>2</sub>.

Total departmental overheads as per primary distribution	Production Department			Service Department	
	P <sub>1</sub>	P <sub>2</sub>	P <sub>3</sub>	S <sub>1</sub>	S <sub>2</sub>
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	6,300	7,400	2,800	4,500	2,000

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

Service Department	Production Department			Service Department	
	P <sub>1</sub>	P <sub>2</sub>	P <sub>3</sub>	S <sub>1</sub>	S <sub>2</sub>
S <sub>1</sub>	40%	30%	20%	-	10%
S <sub>2</sub>	30%	30%	20%	20%	-

Determine the total overheads of production departments charging service departments costs to production departments on repeated distribution.

### Section C

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

9. Explain the various steps involved on installing costing system.
10. The accounts of Z Manufacturing Company for the year ended December, 2017 show the following:

Factory Office Salaries	6,500	Travelling Expenses	2,100
General Office Salaries	12,600	Traveller's Salaries & Commission	7,700
Carriage Outward	4,300	Productive Wages	1,26,000
Carriage on Purchases	7,150	Depreciation-Plant, Machinery and tools	6,500
Bad Debts written off	6,500	Depreciation-Furniture	300

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Repairs of Plant, Machinery and Tools	4,450	Directors' Fees	6,000
Rent, Rates, Taxes & Insurance		Gas and Water	
-Factory	8,500	-Factory	1,200
- Office	2,000	-Office	400
Sales	4,61,100	Manager's Salary (3/4 Factory and 1/4 Office)	10,000
Stock of material		Income Tax	500
31 <sup>st</sup> December, 2016	62,800		
31 <sup>st</sup> December 2017	48,000		
Materials Purchased	1,85,000	General Expenses	3,400
		Dividend	1,000

Prepare statement giving the following information:

- (a) Materials Consumed; (b) Prime Cost; (c) Factory Cost;  
(d) Cost of Production; (e) Total Cost; (f) Net Profit.

11. The stock in hand of a material as on 1<sup>st</sup> September, 2021 was 500 units at Rs.1 per unit. The following purchases and issues were subsequently made. Prepare the stores ledger account and determine how the value of the issues would be recorded under FIFO method

Purchased			Issued	
Sep 6	100 units	@ Rs.1.10	Sep 9	500 units
Sep 20	700 units	@ Rs.1.20	Sep 22	500 units
Sep 27	400 units	@ Rs.1.30	Sep 30	500 units
Oct 13	1,000 units	@ Rs.1.40	Oct 15	500 units
Oct 20	500 units	@ Rs.1.50	Oct 22	500 units
Nov 17	400 units	@ Rs.1.60	Nov 11	500 units

12. From the following particulars compute the earnings of the worker under  
a) Straight Piece rate      b) Differential Piece Rate  
c) Halsey Premium System   d) Rowan System

Number of working hours per Week	48
Wages per hour	Rs.3.75
Rate per piece	Rs.1.50
Normal time per piece	20 minutes
Actual output for the week	150 pieces
Normal output per week	120 pieces

Differential piece rate : 80% Piece rate when output is below standard and 120%  
When above standard

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13. Determine the Machine Hour Rate from the following:

- i. Cost of machine Rs. 19,200
- ii. Estimated scrap value Rs. 1,200
- iii. Average repairs and maintenance charges per month Rs.150
- iv. Standing charges allocated to machine per month Rs.50.
- v. Effective working life of machine 10,000 hours.
- vi. Running time per month 166 hours.
- vii. Power used by machine: 5 units per hour @ 19 paise per unit.

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