

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. A&F - END SEMESTER EXAMINATIONS - NOV'2024
SEMESTER - V

20UAFCT5014 - 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 practical difficulties in installing a costing system?
2. From the following information you are asked to prepare a cost sheet and to ascertain cost and profit per unit with the help of the following data:
Units produced 1200 units
Selling price per unit Rs.6
Sales Revenue Rs.7,200
Cost of production:
Materials Rs.1,320
Wages Rs.750
Manufacturing expenses 40 paise per rupee of labour cost. Administrative expenses 10% of works cost. It has been found from the records that the selling and distribution expenses amounted to 7.5% on sales.
3. From the following particulars prepare the Stores Ledger by adopting first in first out method.
2003
March 1 Purchased 300 units at Rs.2 per unit.
 2 Purchased 600 units at Rs.3 per unit.
 3 Issued 400 units
 8 Issued 200 units
 10 Purchased 600 units at Rs.5 per unit
 12 Issued 400 units.
4. From the following particulars prepare a statement showing the cost per day of 8 hours of engaging a particular type of labour.
 - a. Monthly salary (Basic + Dearness Allowance) Rs.200.
 - b. Leave salary payable to workmen 5% of salary.
 - c. Employer's contribution to P.F. – 8% of salary (items a and b).
 - d. Employer's contribution to employees state insurance 2.5% of salary (items a and b).
 - e. Pro rata Expenditure on labour amenities Rs.17.95 per head per month.
 - f. Number of working hours in a month 200.

Contd...

5. A factory has three departments A, B and C and two service departments X and Y. The overhead costs of the different departments incurred during March 2007 are as follows.

	Rs.
Production Departments:	
A	10,000
B	8,000
C	6,000
Service Departments:	
X	5,000
Y	3,000

The costs of department X have to be charged in the ratio of 2:2 : 1 and those of department Y equally to Departments A, B and C respectively. Compute overhead costs of each production department.

6. The following figures have been given from a factory for the year 2004.
Material Rs.12,00,000; Wages Rs.10,00,000; Factory overhead Rs.6,00,000;
Administration expenses Rs.6,72,000; Selling overhead Rs.4,48,000; Distribution overhead Rs.2,80,000 and profit Rs.8,40,000. In 2005 the firm wants to execute a work order which requires Rs.16,000 for materials and Rs.10,000 for direct wages. Predict the price at the same rate of profit as in 2004.
7. Write a short note on ABC analysis.
8. Justify the classification of overheads.

Section C

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

9. Explain the differences between cost accounting and financial accounting.
10. Prepare a statement of cost from the following particulars:

	Rs.
Opening stock: Materials	2,00,000
Work-in-progress	60,000
Finished goods	5,000
Closing stock: Materials	1,80,000
Work-in-progress	50,000
Finished goods	15,000
Materials purchased	5,00,000
Direct wages	1,50,000
Manufacturing expenses	1,00,000
Sales	8,00,000
Selling & distribution expenses	20,000

Contd...

11. ABC company has purchased and issued materials as under:

2002

April

- 1 Stock of materials 200 units at Rs.2.5 per unit.
- 4 Purchased 300 units at Rs.3 per unit.
- 9 purchased 500 units at Rs.4 per unit.
- 11 Issued 600 units.
- 13 purchased 400 units at Rs.4 per unit.
- 20 issued 500 units.
- 25 purchased 400 units at Rs.5 per unit.
- 29 issued 200 units.

Solve the same under FIFO method and LIFO method of stores ledger.

12. From the following data, compute the total monthly remuneration of three workers A, B and C.

- i. Standard production per month per worker is 1,000 units.
- ii. Actual production during a month A – 850 units, B - 720 units, C – 960 units.
- iii. Piece work rate per month of actual production – 20 paise.
- iv. Dearness wages – Rs.50 per month (fixed).
- v. House rent allowance– Rs.20 per month (fixed).
- vi. Time allowance – Rs.20 per month (fixed).
- vii. Additional production bonus at the rate of Rs.5 for each percentage of actual production exceeding 80% of the standard.

13. You are supplied with the following information and required to Ascertain statement showing secondary distribution summary under trial and error method.

	Rs.
Production Departments:	
A	9,500
B	15,000
C	7,000
Service Departments:	
X	12,000
Y	10,000

The service department expenses are allocated as follows.

Dept.	A	B	C	X	Y
X	30%	20%	30%	–	20%
Y	40%	30%	20%	10%	—
