

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. Honours - END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - III

23UBHCT3012 - Cost Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Write short note on:
(i) Cost Unit, (ii) Cost Centre & (iii) Profit Centre
2. Find the Prime Cost, Works Cost, Cost of production, total Cost and profit from the following:-
Direct Materials Rs.20,000; Direct Labour Rs.10,000; Factory Expenses Rs.7,000; Administration Expenses Rs.5,000; Selling Expenses Rs.7,000 and Sales Rs.60,000.
3. The Grande is a hotel in Chennai. Classify the following costs by their behaviour.
 - (i) Manager's Salary
 - (ii) Cleaning Materials
 - (iii) Food served in the restaurant
 - (iv) Electricity – including a standing charge
 - (v) Cleaner's wages (paid per room cleaned)
4. The extract from the payroll of a company gives the following information.

(i) Number of employees at the beginning 2021	240
(ii) Number of employees at the end of 2021	310
(iii) Number of employees discharged during the year	5
(iv) Number of employees resigned during the year	26
(v) Number of employees replaced due to quit & discharge	25

Calculate the net annual labour turnover rate of the company and comment on it.
5. List out the Objectives of Materials Control.
6. Purchase Manager has been given an estimated annual purchase requirement of 2000 units of material. Unit price of material is Rs.20. Annual cost of carrying inventory is 25% of cost of material. Ordering cost for an order is Rs.50. What order size would you recommend to the Purchase Manager?

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7. Calculate the total earnings of the worker under Halsey Plan from the following information:

Standard Time Fixed : 20 hours
Time Taken : 16 hours
Hourly Rate : Rs.2 per hour

8. The following particulars relate to a processing machine treating a typical material. You are required to calculate the machine hour rate.

- The cost of the machine Rs.1,00,000
- Estimated life 10 years
- Scrap value Rs.10,000
- Working time (50 weeks of 44 hrs. each) 2,200 hrs.
- Machine maintenance per annum 200 hrs.
- Setting up time estimated @ 5% of total productive time.
- Electricity is 16 units per hour @ 10 paise per unit.
- Chemicals required weekly Rs.20.
- Maintenance cost per year Rs.1,200.

Two attendants control the operations of the machine together with 6 other machines, their combined weekly wages are Rs.140. Departmental overhead allocated to this machine per annum Rs.2,000.

Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Explain the objectives of Cost Accounting.
10. ABC Ltd., is committed to supplying 24,000 bearings per annum to BC Ltd. On a steady basis. The projected monthly cost of inventory keeping for each bearing is 10paise, and the setup cost for each run of bearing production is ₹324.
- a) What would be the optimum run size for bearing manufacture?
 - b) What is the minimum inventory holding cost at optimum run size?
 - c) How much more money would the firm spend compared to the idea run stated in (a) if the company had a strategy of producing 6000 bearings every run?
11. Calculate the earning of workers A & B under straight piece rate system and Taylor's Differential piece rate system from following particulars:
- Normal rate per hour - Rs.1.80.
 - Std time per unit - 20 seconds.
 - Differential to be applied

Contd...

- 80% of Piece rate below std and 120% of Piece rate above standard.
- Worker A produces 1300 units per day and worker B produces 1,500 units per day.

12. There are five departments in ABC Ltd., V, W, X, Y are manufacturing departments and department Z provides the services. The actual costs for a period are as follows:

Cost	Amount (Rs.)	Cost	Amount (Rs.)
Repairs	2,000	Insurance	1,500
Rent	2,500	Lighting	1,800
Depreciation	1,200	Employer's Liability insurance	600
Supervision	4,000		

The information available regarding various departments are as follows:

	Deptt. V	Deptt. W	Deptt. X	Deptt. Y	Deptt. Z
Area(Sq.ft.)	140	120	110	90	40
No.of Workers	25	20	10	10	5
Total Wages(Rs.)	10,000	8,000	5,000	5,000	2,000
Value of Plant (Rs.)	20,000	18,000	16,000	10,000	6,000
Value of Stock(Rs.)	15,000	10,000	5,000	2,000	

Calculate the cost apportioned to various departments.

II - Compulsory question (1 × 10 = 10 Marks)

13. The following transaction occurs in purchase dept.

- Jan 2 Purchased 4,000 units @Rs.4/unit
- Jan 20 Purchased 500 units @Rs.5/unit
- Feb 5 Issued 2,000 units
- Feb 10 Purchased 6,000 units @Rs.6/unit
- Feb 12 Issued 4,000 units
- Mar 2 Issued 1,000 units
- Mar 5 Issued 2,000 units
- Mar 15 Purchased 4,500 units @Rs.5.50/unit
- Mar 20 Issued 3,000 units.

Prepare the stores Ledger using (a) LIFO method & (b)FIFO method.
