

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. PA - END SEMESTER EXAMINATIONS - NOV'2024

SEMESTER - V

21UPACT5014 - 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 essentials of a good costing system?
2. From the following figures prepare a reconciliation statement between cost and financial records:

	Rs.
Net profit as per financial records	1,28,755
Net profit as per costing records	1,72,400
Works overhead under-recovered in costing	3,120
Administration overhead recovered in excess	1,700
Depreciation charged in financial records	11,200
Depreciation recovered in costing	12,500
Interest received but not included in costing	8,000
Obsolescence loss charged in financial records	5,700
Income tax provided in financial books	40,300
Bank interest credited in financial books	750
Stores adjustment (Credit in financial books)	475
Depreciation of stock charged in financial books	6,750

3. Two Materials A and B are used as follows:

Normal consumption - 50 units per week each

Minimum consumption - 25 units per week each

Maximum consumption - 75 units per week each

Re-order quantity A 300 units

B 500 units

Re-order period A 4 to 6 weeks

B 2 to 4 weeks

Calculate (a) Re-order level (b) Minimum level (c) Maximum level (d) Average stock level.

4. Calculate economic order quantity. Also state the number of orders to be placed in a year.

Consumption of material per annum 10,000 Kg

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Cost of Material per Kilogram Rs.2

Order placing costs per order Rs.50

Storage costs 8% on Average Inventory.

5. From the following information calculate the labour turnover rate:

Number of workers at the beginning of the period : 3,800

Number of workers at the end of the period : 4,200

During the year, 40 workers left while 160 workers are discharged. 600 workers are recruited during the year; of these 150 workers are recruited to fill up vacancies and the rest are engaged on account of an expansion scheme.

6. A manufacturing concern has three production department and two service departments. In July 2008, the departmental expenses where as follows:

Production Department	Rs.
A	16,000
B	13,000
C	14,000
Service Departments	
X	4,000
Y	6,000

The service department expenses are charged out on a percentage basis.viz,

	A	B	C	X	Y
Expenses of department X	20%	25%	35%	-	20%
Expenses of department Y	25%	25%	40%	10%	-

Prepare a statement of secondary distribution under repeated distribution method.

7. Calculate Machine Hour Rate from the following:
- (a) Cost of machine Rs.19,200
 - (b) Estimated scrap value Rs.1,200
 - (c) Repair charges per month Rs.150
 - (d) Standing charges allocation to machine per month Rs.50
 - (e) Effective working life of machine 10,000 hours
 - (f) Running time per month 166 hours
 - (g) Power used by machine = 5 units per hour at 19 paise per unit.
8. Distinguish between job costing and process costing.

Section C

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

9. From the following data relating to the manufacture of a standard product during the month of September 2005 prepare a statement showing the cost and profit per unit:

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Raw material used	Rs.40.000
Direct wages	Rs.24,000
Machine hours worked	9,500 hours
Machine hour rate	Rs.4 per hour
Office overheads	20% on works cost
Selling overheads	Rs.1 per unit
Units produced	20,000 units
Units sold	18,000 @Rs.10 per unit

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

11. Calculate the earnings of a worker under the following methods:

- (a) Time rate method
- (b) Piece rate method
- (c) Halsey plan
- (d) Rowan plan

Information given:

Standard time 30 hours

Time taken 20 hours

Hourly rate of wages Re.1 per hour plus a dearness allowance at 50 paise per hour worked.

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12. 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:

	Rs.
Rent and taxes	5,000
Indirect wages	1,500
Depreciation of machinery	10,000
General lighting	600
Power	1,500
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 machinery(Rs)	2,50,000	60,000	80,000	1,00,000	5,000	5,000

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

13. The product of a manufacturing concern passes through two processes A and B and then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap which from processes A and B realises Rs.80 per ton and Rs.200 per ton respectively.

The following are the figures relating to both the processes:

	Process A	Process B
Materials in tons	1,000	70
Cost of materials per ton (Rs)	125	200
Wages (Rs)	28,000	10,000
Manufacturing expenses	8,000	5,250
Output (tons)	830	780

Prepare Process Cost Accounts showing cost per ton of each process. There was no stock or work-in-process.
