

Reg. No. :

Name :

Fifth Semester B.Com. Degree Examination, December 2019

First Degree Programme under CBCSS

Core Course : CO 1542 / CC 1543 / CX 1543/ HM 1543 / TT 1543

COST ACCOUNTING

(2014 Admn. onwards)

**(Common for Commerce / Commerce with Computer Application /
Commerce and Tax Procedure and Practice / Commerce and Hotel
Management and Catering / Commerce and Tourism and Travel
Management)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions. Each question carries **1** mark. :

1. Define cost accounting.
2. What is labour?
3. What is cost centre?
4. What are overheads?
5. What is ABC analysis?
6. What is primary distribution?
7. Define unit costing.

8. What is machine hour rate?
9. What is absorption costing?
10. What is idle time?

(10 × 1 = 10 Marks)

SECTION – B

Answer any **eight** questions. Each question carries **2** marks.

11. What is cost unit?
12. What is batch costing?
13. What are semi-variable costs? Give an example.
14. What is opportunity cost?
15. State the importance of cost classification.
16. What is prime cost?
17. What are the objectives of material control?
18. What is bin card?
19. What is re-order level?
20. What are casual workers?
21. What is apportionment of overheads?
22. What is over absorption?

(8 × 2 = 16 Marks)

SECTION – C

Answer any **six** questions. Each question carries **4** marks. :

23. Distinguish between cost accounting and financial accounting.
24. Explain the steps in purchase procedure.
25. What are the advantages of perpetual inventory system?
26. Distinguish between time wage system and piece wage system.
27. Calculate EOQ from the following data

Annual usage — 6000 units

Cost of material per unit — Rs.20

Cost of placing an order — Rs.60

Annual carrying cost of per unit — 10% of inventory value.

28. Calculate re-order level and maximum level from the following data

Time lag for procurement of materials: Maximum 6 months, Minimum – 2 months

Maximum usage — 300 units

Minimum usage — 200 units

Re-order quantity — 750 units

29. The standard time for a job is 10 hours. Actual hours taken are 8. Wage rate per hour is Rs.5. Calculate total earnings and effective rate of earnings per hour under Halsey Plan.

30. Calculate machine hour rate from the following

Cost of machine — Rs.8,000

Cost of installation — Rs.2,000

Scrap value after 10 years — Rs.2,000

Rates and rent for a quarter for the shop — Rs.300

General lighting — Rs.20 p.m.

Shop supervisor's salary — Rs.600 per quarter

Insurance premium for a machine — Rs.60 p.a

Estimated repairs — Rs.100 p.a

Power 2 units per hour @ 5 per 100 units

Estimated working hours p.a 2000

The machine occupies $\frac{1}{4}$ of the total area of the shop. The supervisor is expected to devote $\frac{1}{6}$ th of his time for supervising the machine. General expenses are to be apportioned on the basis of floor area.

31. From the following transactions, calculate the closing balance of materials in units and value by using FIFO method

2018	
Nov 1	Opening balance 200 units at Rs.2 per unit
Nov 2	Issued 40 units
Nov 8	Returned to vendors 50 units
Nov 12	Purchased 150 units at Rs.3 per unit
Nov 19	Issued 60 units
Nov 26	Purchased 210 units at Rs.4 each
Nov 30	Stock audit note shows a shortage of 10 units

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions. Each question carries **15** marks. :

32. Explain the advantages of cost accounting.

33. The cost accounts of a firm reveals the following details:

Stock on hand on 01-03-2018 :	
Raw materials	25,000
Finished goods	17,360
Stock on hand on 31-03-2018:	
Raw materials	26,250
Finished goods	15,750
Purchase of raw materials	21,900
Work in Progress:	
01-03-2018	8,220
31-03-2018	9,100
Sales of finished goods	72,310
Direct wages	17,150
Work expenses	8,340
Office and administration expenses	6,870
Selling and distribution expenses	4,210
Sale of scrap	330

Prepare a cost sheet for the month March, 2018.

34. X Ltd has three production departments A, B and C and two service departments D and E. From the following figures, calculate the overhead rate per labour hour:

	Rs.		Rs.
Indirect materials	15,000	Rent rates and taxes	10,000
Indirect wages	10,000	Electric power for machinery	15,000
Depreciation on machinery	25,000	Electric power for lighting	500
Depreciation on buildings	5,000	General expense	15,000

Items	Total	A	B	C	D	E
Direct material (Rs.)	60,000	20,000	10,000	19,000	6,000	5,000
Direct wages (Rs.)	40,000	15,000	15,000	4,000	2,000	4,000
Value of machinery (Rs.)	2,50,000	60,000	1,00,000	40,000	25,000	25,000
Floor area (Sq.Ft)	50,000	15,000	10,000	10,000	5,000	10,000
Horse power of machines	150	50	60	30	5	5
No. of light points	50	15	10	10	5	10
Labour hours	15,000	5,000	5,000	2,000	1,000	2,000

The expenses of service departments D and E are to be apportioned as follows:

	A	B	C	D	E
D	40%	20%	30%	-	10%
E	30%	30%	40%	-	-

35. Prepare a Stores Ledger account for the following transactions on the basis of LIFO method

2018 Jan 1	Opening balance 12000 kg at Rs.7.5
Jan 1	Purchased 22000 kg at Rs.7.6
Jan 1	Issued 5000 kg
Jan 5	Issued 7000 kg
Jan 12	Issued 8000 kg
Jan 13	Surplus returned from production 2000 kg
Jan 18	Issued 12000 kg
Jan 22	Purchased 25000 kg at Rs.7.40
Jan 23	Issued 7000 kg
Jan 28	Issued 6000 kg
Jan 31	Stock verified and 500 kg was found to be excess

(2 × 15 = 30 Marks)