

B. COM. DEGREE END SEMESTER EXAMINATION - OCTOBER 2019**SEMESTER –5: COMMERCE (CORE COURSE)****COURSE: 15U5CROM12, COST ACCOUNTING**

(Common for Regular 2017 admission & Improvement 2016 /Supplementary 2016/2015 admission)

Time: Three Hours

Max. Marks: 75

SECTION A

*Answer **ALL** questions. Each question carries 2 marks.*

1. What is the meaning of cost?
2. What is Cost Period?
3. What do you mean by MRN?
4. What are Bin Cards?
5. What do you mean by Time-Booking?
6. What is time rate system of wage payment?
7. What do you mean by labour productivity?
8. What do you mean by fixed overhead?
9. What do you mean by idle capacity?
10. What do you mean by depreciation? (2 x 10 = 20)

SECTION B

*Answer **any FIVE** questions. Each question carries 5 marks.*

11. Briefly describe Two-Bin system.
12. What are the advantages and disadvantages of Halsey System?
13. Briefly describe the reasons for classifying overheads into fixed and variable.
14. Jyothika Labs sells Jwala washing soaps in packets containing a dozen bars in each packet at Rs.60 per packet. The product has a constant demand at 200 packets per month. The company procures the product from a local manufacturer at a price of Rs.20 per packet with a lead time of 3 days. Ordering cost is Rs.1.50 per order and holding cost is 10% per annum. Calculate EOQ and ordering cost.
15. Find out the (a) Reorder Level (b) Minimum Level (c) Maximum Level (d) Average Level and (e) Danger Level from the following information:
Maximum usage = 300 units per day; Minimum usage = 100 units per day; Average usage = 180 units per day; Re-order period = 6 to 10 Days; Reorder quantity = 2500 units.
16. Calculate the effective rate of earnings per hour and employer savings under Halsey Plan from

the following information:

Standard time needed to complete a job is 30 hours. The hourly wage rate is Rs.8. The job was actually completed in 20 hours. The factory overhead charges are 75% of the standard time.

17. Calculate the average cost per day of engaging labour from the given information:

- (a) Number of working hours in a day = 8 Hours
 (b) Number of working days in a month = 25 days
 (c) Basic salary per month = Rs.8,000
 (d) Dearness Allowance = 50% of Basic salary
 (e) Leave salary = 12% of (c+d)
 (f) Employer contribution to PF = 12 % of (c+d)
 (g) Employer contribution to ESI = 10 % of (c+d)
 (h) Prorata expenditure on amenities to labour = Rs.1,000 (5 x 5 = 25)

SECTION C

Answer **any Three** questions. Each question carries **10** marks.

18. What is labour turnover? Discuss the causes of labour turnover and methods of computing labour turnover.
19. Apportion the expenses of service departments to production departments using simultaneous equation method. Take whole numbers only for all except overhead rate.

Particulars	Total (Rs)	Production Departments (Rs)			Service Departments (Rs)	
		A	B	C	D	E
Lighting	800	160	320	120	120	80
Fire Insurance	160	40	60	20	20	20
Electricity	400	40	40	40	160	120
Total	1360	240	420	180	300	220
Estimated working hours		200	300	150	-	-

Expenses of service departments D and E are to be apportioned as under:

	A	B	C	D	E
D (in %)	20	30	40	-	10
E (in%)	30	40	10	20	-

20. Prepare a Stores Ledger Account from the following information using FIFO method.

1-6-19	Opening Balance	30 units valued at Rs.2,100
4-6-19	Issued material vide RN 102	10 units
5-6-19	Received from Fifo Co. vide GRN 201	40 units at Rs.65 per unit
6-6-19	Issued vide RN 103	15 units
7-6-19	Returned to Fifo Co	5 units
9-6-19	Issued material vide RN 105	10 units
11-6-19	Issued material vide RN 106	20 units
13-6-19	Received from Lifo vide GRN 203	30 units at Rs.68 per unit
15-6-19	Issued material RN 107	10 units
16-6-19	Received replacement from Fifo GRN 204	5 units
18-6-19	Returned from Department, materials from Lifo Co MRR 301	5 units
20-6-19	Transfer from Job J1 to Job J2 MTR 401	10 units
21-6-19	Issued material RN 108	10 units
25-6-19	Transfer from Dept A to Dept B	5 units
30-6-19	Shortage in stock taking	5 units

21. The optimum capacity of a factory is 54,000 units per annum. The cost of production is estimated as under

- (a) Direct materials – Rs.4 per unit
- (b) Direct Labour – Rs.3 per unit
- (c) Expenses (fixed) – Rs.1,75,000 per annum
- (d) Expenses (variable) – Rs. 5 per unit
- (e) Semi-variable expenses- At 50% capacity Rs.50,000 per year and Rs.10,000 extra per year for every 25% increase in capacity or part thereof.

The factory does not produce for its own stock, but is against orders only. Compute the selling price so that a profit of Rs.100,000 can be ensured. The company operates at 50% capacity for the first three months and at 80% capacity for the remaining 9 months.

22. Calculate the machine hour rate from the following information.

Cost of machine	Rs.62,000
Scrap value	Rs.8,000
General lighting for the workshop	Rs.250 per month
Electricity charges	Rs.30 for every 100 units
Consumption of power	25 units per hour
Workshop rent	Rs.36,000 per year
Administrative expenses allocated to machine	Rs.6,000 per year
Repairs and maintenance	75% of depreciation
Workshop supervisor's salary	Rs.6,000 per month
Estimated working time per year	50 weeks of 40 hours each
Setting up time which is regarded as productive time with nil electricity consumption	200 hours per year
The machine occupies 1/4 th area of the workshop. The supervisor is required to spend 1/3 rd of his time in supervising the machine.	

(10 x 3 = 30)