

**B. COM. DEGREE END SEMESTER EXAMINATION : OCTOBER 2022****SEMESTER 5: COMMERCE****COURSE: 19U5RCOM17 : COST ACCOUNTING***(For Regular - 2020 Admission and Supplementary - 2016/2017/2018 /2019 Admissions)*

Time: Three Hours

Max. Marks: 75

**PART A****Answer any 10 (2 marks each)**

1. Define Cost Accounting
2. What do you mean by Centralised purchasing?
3. What do you mean by Cost Reduction?
4. What is Bill of Material?
5. What do you mean by Danger level?
6. What is VED analysis?
7. Define JIT.
8. What do you mean by Inventory Management?
9. What is Job Enrichment?
10. Calculate EOQ

Annual consumption	900 units
cost of placing an order	Rs.15 per order
Storage cost	30 %
Price per unit	RS 30

11. What do you mean by LIFO?
12. Calculate minimum level

Maximum usage in a month	300 units
Minimum usage in a month	200 units
Average usage in a month	225 units
Time lag for procurements	Maximum 6 months
	minimum 2 months

**(2 x 10= 20)****PART B****Answer any 5 (5 marks each)**

13. What are the various methods of wage payment?
14. Explain material losses.
15. What are the advantages of cost accounting?
16. From the following information relating to Cello Plastics, prepare a cost sheet showing profit or loss.

Direct material consumed	₹ 32000
Direct Labour paid	₹24000
Direct expenses	₹6000
Factory overhead	₹ 4000
Administrative overhead	₹ 2500
Selling and Distribution overhead	₹ 4500

1500 units of plastic buckets are produced during the period and all the units produced are sold at ₹ 220 per unit.

17. Calculate earnings of a workers Ram and Shyam under Halsey and Rowan plans.

Particulars	Ram	Shyam
Time allowed	58 hrs	55 hrs
Time taken	42 hrs	44 hrs
Basic hourly Rate	Rs. 6	Rs. 6

18. The following receipts and issues were made of an item of stores :

Date	Particulars
June 1	Purchases 300 units@10
June 4	Issued 120 units to production
June 7	Purchased 220 units @11
June 16	Issued 200 units
June 28	Purchased 100 units @12

Prepare stores ledger account of the material for the month of July under FIFO Method of pricing issues.

19. Explain FSN analysis. Describe the advantages of FSN analysis.

20. Find out the earnings of the workers on the basis of Merrick's differential piece rate system.

Normal piece rate	₹20 per unit
Standard production	160 units per week
In a week of 6 working days:	John produced 128 units
	Jose produced 144 units
	Sahir produced 192 units

(5 x 5=25)

**PART C****Answer any 3 (10 marks each)**

21. The following transaction took place in respect of a material during March 2020

Date	Particulars	Units	Rate per unit
March 1	Balance in store	600	4
6	Received	400	5
8	Issued	300	-
25	Received	200	6
30	Issued	250	-

Prepare stores ledger under Simple Average Price Method and Weighted Average Price Method

22. Two components X and Y are used as follows:

Normal consumption	600 units per month	
Maximum consumption	900 units per month	
Minimum consumption	300 units per month	
	<b>X</b>	<b>Y</b>
Reorder quantity	4800 units	7200 units
Reorder period	4 to 6 months	2 to 4 months
Reorder supply period	2 months	1 month

Calculate for each component:

- a) Reorder level b) Minimum level c) Maximum level d) Average stock level e) Danger level
23. Explain the following: a) Learning Curve b) Job analysis c) Profit centre d) Opportunity cost e) Labour turnover (each carries 3 marks)
24. Explain Piece Rate System and explain the advantages and disadvantages of Piece Rate System.
25. Alexia Ltd. Has four production departments, and six service departments. From the following information briefly apportion the service departments overheads to production departments only.

Production Departments	
P <sub>1</sub>	Rs. 30,000
P <sub>2</sub>	Rs. 30,000
P <sub>3</sub>	Rs. 24,000
P <sub>4</sub>	Rs. 16,000

Service Departments	
S <sub>1</sub> (Power)	Rs. 18,000
S <sub>2</sub> (Purchasing Dept.)	Rs. 15,000
S <sub>3</sub> (Stores Dept.)	Rs. 12,000
S <sub>4</sub> (Canteen)	Rs. 9000
S <sub>5</sub> (Labour Welfare)	Rs. 6000
S <sub>6</sub> (Time keeping)	Rs. 4,500

Additional Information:

Particulars	P <sub>1</sub>	P <sub>2</sub>	P <sub>3</sub>	P <sub>4</sub>
Horse power of machine	600	600	300	300
Value of materials purchased (Rs. In lacks)	5	4	4	2
Number of stores requisitions	4	3	3	2
Number of workers	18	16	14	12

(10 x 3=30)

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