Reg. No.. Name.. **14U509**

B.COM. DEGREE END SEMESTER EXAMINATION - OCTOBER/NOVEMBER 2018

SEMESTER **–5: COMMERCE (CORE COURSE)**

COURSE: **U5CRCOM13: COST ACCOUNTING**

(For Supplementary - 2014 admission)

Time: Three Hours Max. Marks: 75

PART A

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

1. What is labour turnover?
2. What is EOQ?
3. What is a cost unit?
4. What is VED analysis?
5. What is cost sheet?
6. What is batch costing?
7. Define overhead.
8. What are defectives?
9. What do you mean by secondary distribution?
10. What is perpetual inventory system? (1 x 10 = 10)

PART B

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

11. Explain the elements of cost
12. Distinguish between scrap and spoilage.
13. Mention any four advantages of Cost Accounting.
14. From the following find out EOQ.

    Annual demand -3400 units, Unit cost - Rs.6, Cost of carrying inventory - 25% per annum, Cost of one procurement – Rs. 150
15. What is profit centre?
16. State any four advantages of perpetual inventory system?
17. State the difficulties in the installation of a costing system.
18. Write short note on cost allocation and cost apportionment.
19. State the objectives of material control.
20. Two material X and Y are used as follows:-

    Minimum usage - 50 units per week

    Maximum usage - 150 unit per week

    Normal usage - 100 units per week

    Ordering quarries

    X - 600 units

    Y - 1,000 units

    Delivery period:

    X - 4 to 6 weeks

Y - 2 to 4 weeks

Calculate for each material

a) Minimum level
b) Maximum level
c) ordering level
d) Average stock level (2 x 8 = 16)

PART C

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

21. A modern manufacturing company submits the following information on 31st March 2018.

	Rs.
Sales for the year	2,75,000
Inventories at the beginning of the year:	
Finished goods	7,000
WIP	4,000
Purchase of materials	1,10,000
Materials inventory:	
At the beginning of the year	3,000
At the end of the year	4,000
Direct labour	65,000
Factory overheads were 60% of direct labour costs	
Inventories at the end of the year:	
WIP	6,000
Finished goods	8,000
Other expenses for the year:	
Selling expenses 10% of sales	
Administration expenses 5% of sales	

Prepare a cost sheet.

22. From the following data find out labour turnover by applying

a) Flux method.
b) Replacement method
c) Separation method

No. of workers on the pay roll –

At beginning of the month - 500

At end of the month - 600

During the month 5 workers left, 20 were discharged and 75 were recruited. Of these, 10 workers were recruited in the vacancies of those leaving, while the rest were engaged on an expansion scheme.

23. Three workers (Vishal, Vishnu and Vyshakh) having worked for 8 hours, produced 80, 120 and 140 pieces of product X on a particular in a factory. The time allowed for producing 10 units of X is one

hour and their hourly rate is Rs.100. Calculate for each of the three workers earnings for the day under the following methods of labour remuneration.

a) Straight piece rate, b) Halsey premium bonus (50% sharing), c) Rowan's premium bonus

24. The Cost Accountant of X Ltd. has computed labour turnover rates for the quarter ended 31st March, 2018 as 10%, 5%, and 3% respectively under Flux method, Replacement method, and Separation Method. If the number of workers replaced during the quarter is 30, find out the number of (a) workers recruited and joined and (b) workers left and discharged.
25. Explain the steps in the installation of a costing system.
26. State the reasons for disagreement in profit in cost and financial accounts.
27. Explain the function-wise classification of overheads. **(**5 x 5 = 25**)**

PART D

*Answer **any two** questions. Each question carries **12** marks*

28. a) Define cost accounting. Explain the difference **between** cost accounting and financial accounting b) Explain the various methods of costing
29. Compute machine hour rate from the following data:

	Rs.
Cost of Machine	2,00,000
Installation charges	25,000
Scrap value after its life (15 years)	10,000
Rent and rates for the shop per month	200
General lighting for the shop per month	1,000
Insurance premium for the shop per annum	4,800
Repairs and maintenance expenses per annum	5,000
Power consumption 10 units per hour, rate of power for 100 units	1,000
Estimated working hours per annum – 2,200 (this includes setting up time of 200 hours	
Shop supervisor's salary per month	12,000

The machine occupies ¼th of the total area of the shop. The supervisor devotes 1/5th of his time for supervising this machine.

30. The following are the details extracted from the stores ledger of Arun Industries

01.01.2018	Opening Stock	Nil
01.01.2018	Purchases	100 units @ Rs.30 per unit
15.01.2018	Issued for consumption	50 units
01.02.2018	Purchases	200 units @ Rs.40 per unit
15.02.2018	Issued for consumption	100 units
20.02.2018	Issued for consumption	100 units
01.03.2018	Purchases	150 units @ Rs.50 per unit
15.03.2018	Issued for consumption	100 units

Find out the value of stock as on 31.03.2018 if the company follows:

a) First in first out basis.
b) Last in first out basis.
c) Weighted average basis

31. The net profit of a manufacturing company for the year ended 31st March, 2018 was 5,15,020 as shown by financial books.

The Cost Accounts disclosed a profit of Rs. 6,89,600 for the same period. The following details are discovered.

	Rs.
Interest on investments	32,000
Loss due to depreciation in stock value charged in Financial Accounts only	27,000
Works overhead under – recovered in Cost Accounts	12,480
Bank interest and dividend received	4,900
Obsolescence loss charged in Financial Accounts	22,800
Depreciation charged to Financial Accounts	44,800
Depreciation recovered in Cost Accounts	50,000
Income tax paid	1,61,200
Administrative overhead over-recovered in Cost Accounts	6,800

Prepare a statement reconciling the profits shown in both the books

(12 x 2 = 24)

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