

B.COM. DEGREE END SEMESTER EXAMINATION OCTOBER/NOVEMBER 2018**SEMESTER –5: COMMERCE (CORE COURSE)****COURSE: 15U5RCOM12: COST ACCOUNTING***(Common for Regular 2016 admission & Supplementary 2015 admission)*

Time: Three Hours

Max. Marks: 75

SECTION – A*Answer **all** questions. Each question carries **2** marks.*

1. What is multiple costing? Give an example.
2. State the meaning of imputed costs.
3. Define profit centre.
4. What is normal idle time?
5. Find out the EOQ and frequency of orders from the following data.
Annual usage – Rs. 1,20,000, Cost of placing and receiving an order – Rs. 60, Annual carrying cost – 10% of inventory value.
6. From the following particulars, calculate the earnings of A under Rowan plan.
Standard Time – 10 hours, Time rate – Re. 1 per hour, Time taken – 9 hours.
Also determine the effective rate of earnings per hour.
7. How will you apportion the following expenses among various departments?
a) Audit fees b) Creche expenses
8. What is idle capacity?
9. Distinguish between cost of sales and cost of goods sold?
10. What do you mean by labour turnover? (2 × 10 = 20)

SECTION – B*Answer **any five** questions. Each question carries **5** marks.*

11. From the following information prepare a stores ledger account under FIFO method

2018	March 1	Purchase	300 units (Unit cost Rs. 3)
	March 3	Purchase	600 units (Unit cost Rs. 4)
	March 6	Issue	500 units
	March 10	Purchase	700 units (Unit cost Rs. 4)
	March 15	Issue	800 units
	March 20	Purchase	300 units (Unit cost Rs. 5)
	March 23	Issue	100 units

12. Classify the following overheads on the basis of functions.
- Depreciation on plant
 - Consumable stores
 - Rent of Warehouse
 - Bad debt
 - General Managers salary
13. From the following particulars, calculate the earnings of different workers under Taylor's differential piece rate system.
- Standard time/unit – 6 minutes
 Normal rate – Rs. 5/hour
 Differential piece rates:
 80% of piece rate below the standard
 120% of piece rate at or above the standard
- In a day of 8 hours, the production by different workers is as under:
 Thanveer – 70 units, Vishnu – 80 units, Sebin -90 units, Sreekanth-100 units.
14. From the following particulars, calculate the inventory turnover ratio and express it in days.
 Opening Stock – Rs. 10,000, Purchases- Rs. 50,000, Closing stock – Rs. 20,000
15. Explain the behavioral-wise classification of overheads with suitable examples.
16. Give the items which are excluded in cost accounts under three groups namely; appropriation of profits, purely financial incomes and purely financial charges.
17. Prepare a cost sheet showing cost of production and profit from the following data.
- Raw Material – Rs.75,000 (Opening) Rs.78,750 (Closing)
 WIP– Rs. 24,600 (Opening) Rs.27, 300 (Closing)
 Raw Material – Rs.52, 080 (Opening) Rs.47, 250 (Closing)
 Purchase for the year – Rs.65,700
 Sales – Rs.2, 16,930
 Direct wages – Rs.51,450
 Work expenses- Rs.25,020
 Selling and distribution expenses – Rs.12,630
 Scrap sold – Rs.990
 Office expenses – Rs.20,610

(5 × 5 = 25)

SECTION- C

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

18. The elements comprising the cost of a factory output for the years 2015, 2016 and 2017 are as follows.

Particulars	2015 Rs	2016 Rs	2017 Rs
Direct Material	10,000	7,500	12,500
Direct Wages	8,000	6,000	10,000
Works Overhead	2,000	1,500	2,500
Administration Overhead	5,000	5,000	5,000
Selling and Distribution Overhead	2,000	1,500	1,000
Output in ton	1,000	750	1,250

Examined the above figures, you are required to state on what basis would you allocate 'On Cost' in quoting for a contract to supply 1,500 ton of the commodity representing the whole of the anticipated output of the year 2018.

What price would you quote assuming that there was no change in the organization and that a profit of 25% on factory cost is considered sufficient?

19. XYZ Ltd produces 500 boxes every month. Raw material is purchased at the rate of Rs. 10 per unit of finished product. Its ordering cost is Rs. 400 each order and other costs are as follows-

- Interest 2% p.a
- Godown Rent- Rs. 150 p.m
- Insurance policy 3.6% on policy of Rs. 1,00,000
- Wastage, theft, etc. 1% p.a

Find out:

- Carrying cost per unit
- EOQ
- Total inventory cost

20. In a factory, works overheads are absorbed @ 60% of labour and office expenses @ 20% of works cost. The total expenditure is as follows.

Material – Rs. 2,00,000, Labour – Rs.1,50,000, Factory expenses – Rs.98,000, Office expenses – Rs. 85,000

10% of the output is in the stock and sales total up to Rs. 5,10,000. Prepare Statement of cost, Profit and Loss Account and Reconciliation Statement.

21. A modern Co. is divided into four departments – A, B, C are producing and D is a service department. The actual costs for a period are as follows.

Rent – Rs. 21,000,
Repairs to plant - Rs. 1,26,000,

Depreciation on plant - Rs. 9,450,

Supervision - Rs. 31,500,

Repairs to building – Rs. 8,400

Light and power - Rs. 2,100

The following information are available in respect of the 4 departments.

Particulars	A	B	C	D
Area (sq.metres)	1500	1,100	900	500
No. of employees	20	55	10	5
Total wages	1,26,000	84,000	63,000	42,000
Value of stock	24,000	18,000	12,000	1,26,000
Value of plant	3,15,000	1,89,000	1,26,000	-

Apportion the costs of the various departments on the most equitable basis.

22. Explain the following terms.

- a) Cost Accounting
- b) Cost allocation
- c) Cost centre
- d) Cost unit
- e) Cost control

(10 x 3 = 30)
