

**(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2021 ONLY)**

21UCC411

REG.NO. :

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : MAY-2023**

COURSE NAME: B.Com.-C.A **MAXIMUM MARKS: 70**
SEMESTER: IV **TIME : 3 HOURS**

PART-III

COST ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS. (K1)

1. ----- does not provide for a proper control of materials, labor and over heads

(a) Financial account	(b) Cost accounting
(c) Management Account	(d) None of above
2. The total of direct expenses is known as _____.

(a) Work cost	(b) Management cost	(c) Prime cost	(d) Total cost
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3. Last in first out method is suitable in times of _____.

(a) decrease in price	(b) raising price	(c) discount price	(d) none of the above
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4. ----- is the cost of running a machine per hour

(a) machine hour rate	(b) fixed cost	(c) variable cost	(d) semi-variable cost
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5. ----- is used to ascertain the cost of the product at each stage of manufacture

(a) job costing	(b) batch costing	(c) contract costing	(d) process costing
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ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. (K2)

6. What is the main purpose of cost accounting?
7. What is ordering cost?
8. Why is FIFO method used?
9. Define Operating costing.
10. Mention the types of Contract costing.

SECTION – B (5 X 4= 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTION. K3

11. a) From the following particulars prepare cost sheet:
Direct materials Rs.8,000; Direct wages Rs.6,000; Direct expenses Rs.2,500;
Administrative overheads Rs.4,000; Factory overheads Rs.5,000; Sales Rs.40,000.
(OR)
- b) Calculate the cost of raw materials purchased from the following data.

	Rs.
Opening stock of raw materials	20,000
Closing stock of raw materials	30,000
Expenses on purchase	10,000
Direct wages	50,000
Prime cost	1,50,000

(CONTD.....2)

12 a) From the following information calculate

1. Maximum stock level
2. Minimum stock level
3. Re- order level

Minimum consumption	240 units per day
Normal consumption	300 units per day
Maximum consumption	420 units per day
Re – order quantity	3,600 units
Re – order period	10-15 days
Normal period	12 days

(OR)

b) From the following particulars given below, calculate economic order quantity and the No of orders to be placed per year.

Total consumption of materials per year 10,000 Kgs. Buying cost per order Rs.50: Unit cost of material Rs.2 per Kg. Carrying and storage cost – 8% on average inventory.

13 a) From the following particulars supplied by the personnel department of a company, calculate labor turn – over by applying. 1. Separation method 2. Replacement method 3. Flux method.

Total No .of employees at the beginning	2,010
Total No .of employees at the end	1,990
No. of employees resigned	30
No. of employees discharged	50
No. of employees replaced	40

(OR)

b) Set out a comparative statement showing the effect of paying wages under

(a) Halsey plan & (b) Rowan plan.

Standard time	: 10 hours
Wages rate per hour	: Rs.5
Time taken	: 8 hours
Overhead rate per hour	: Rs.6

14. a) What is process costing? What are its features?

(OR)

b) A product passes through three distinct processes to completion.

During March 1998, 500 units were produced. From the following information, prepare process accounts showing the total cost as well as cost per unit.

	Process (1) Rs.	Process (2) Rs.	Process (3) Rs.
Materials	10,000	7,000	3,000
Labour	2,500	2,000	2,500
Direct expenses:			
Fuel	500	1,000	500
Carriage	1,500	500	1,000
Work over heads	2,000	2,500	2,000

Indirect expenses Rs.14,000 should be apportioned on the basis of wages.

15 A) Jothi printers under took two jobs during the 1st week of June 2002.

The following details are available

	Job 501 Rs.	Job 601 Rs.
Materials supplied	40,000	20,000
Wages paid	9,000	6,000
Direct expenses	2,000	1,000
Material transferred from job 601 to 501	2,000	2,000
Material returned to stores	-	1,000

(CONTD.....3)

b) Compute the Economic Batch Quantity from the following details.

Estimated annual production of 39 cm shirts	9,000
Setting up cost- Rs.100	Cost of manufacturing one shirt - Rs.200
Rate of interest p.a.	10%

SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS .

**(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS.
(FROM Qn No. 17 to 21) K4 & K5**

16 . Discuss the advantages of Cost accounting. **K4**

17. Two types material X and Y are used in a factory as follows:

Normal usage 600 units each per week
Maximum usage 900 units each per week
Minimum usage 300 units each per week
Re – order quantity X 4800 units: Y 7200 units.
Re – order period X 4 to 6 weeks: Y 2 to 4 weeks.
Calculate for each material

1. Re – order level 2. Minimum level 3. Maximum level 4. Average stock level
K4

18 . From the following particulars you are required to prepare a statement of labor cost showing the cost per day of 8 hours. **K5**

(a) Monthly salary Rs.200
(b) Leave salary 5% of salary
(c) Employer's contribution of provident fund 8% of (a)and (b)
(d) Employer's contribution to state insurance 2.5% of (a) and(b)
(e) Pro-rata expenditure on amenities to labor Rs.17.95 per head /per month
(f) Number of working hours in a month 200.

19 . Product A process through three distinct process. The product is transferred to finish stock after the third process. Prepare the process accounts from the information given below **K4**

	Process 1	Process 2	Process 3
Direct materials	4,000	600	550
Direct labor	1,500	1,600	900
Direct Expenses	650	400	-

Total production overheads during the period were Rs.6, 000. It is to be apportioned to different processes on the basis of 150% of direct labor. There was no opening or closing stock. Production during the period was 200 units.

20 . Prepare a statement of reconciliation from the following. **K5**

	Rs.
Net loss as per cost A/c	34,500
Net loss as per financial A/c	40,950
Work overhead under recovered in costing	6,240
Administrative overhead recovered in excess	3,400
Depreciation recovered in costing	11,200
Depreciation recovered in financial A/c	12,500
Interest on investment not included in costing	6,000
Goodwill return off	5,000
Provision for doubtful debt in financial A/C	1,260
Stores adjustment credit in financial A/c	950
Loss of stock charged in financial A/c	3,000

(CONTD.....4)

21. The profit as per cost accounts was Rs.1, 50,300. Calculate the amount of profit as per profit and loss account on the basis of the following information. **K5**

- (a) Works overheads expenses were over recovered in cost accounts by Rs.8,000
- (b) Administrative expenses over recovered in financial accounts by Rs.3,000
- (c) Depreciation charges were over recorded in cost accounts by Rs.1,900
- (d) Interest on investments amounted to Rs.940
- (e) Bad debts written off Rs.650