

(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
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
4. ----- is the cost of running a machine per hour  
(a) machine hour rate (b) fixed cost (c) variable cost (d) semi-variable cost
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

**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 unite 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)<br>Rs. | Process (2)<br>Rs. | Process (3)<br>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 1<sup>st</sup> 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 .****(16<sup>th</sup> 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