

**NGM COLLEGE (AUTONOMOUS) POLLACHI  
END-OF-SEMESTER EXAMINATIONS: MAY- 2023**

**B.COM – INTERNATIONAL BUSINESS**

**MAXIMUM MARKS: 50**

**II SEMESTER**

**TIME: 3 HOURS**

**PART – III**

**COST ACCOUNTING**

**SECTION - A**

**( 10 x1=10Marks)**

**ANSWER ALL QUESTIONS**

1. Basic objective of cost accounting is \_\_\_\_\_
  - a) Tax compliance
  - b) Financial Audit
  - c) Cost ascertainment
  - d) none of these
2. ABC analysis is \_\_\_\_\_
  - a) Always Better Control
  - b) Advantage of Better Control
  - c) At Best Control
  - d) None of these.
3. Time wages are paid on the basis of \_\_\_\_\_
  - a) Standard time ..b) Time saved ..c) Out put produced ,d) Actual time
4. Overhead is known as \_\_\_\_\_
  - a) On cost b) Basic cost c) Extra cost d) Chargeable expense.
5. Operating Cost is a \_\_\_\_\_
  - a) Method of Costing
  - b) Technique of costing
  - c) Norm of costing
  - d) Procedure of Costing

**ANSWER THE FOLLOWING QUESTIONS IN ONE (OR) TWO SENTENCES:**

6. Explain the term Costing.
7. Expand the meaning of EOQ.
8. Explain the term Idle Time
9. Indicate any two items of OH cost and basis to be adopted for appointment.
10. Explain the term Operating costing

**SECTION – B**

**5X 3=15 Marks**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**

11. a. Describe the objectives of cost accounting

(OR)

11. b. From the following particulars **Compute cost sheet** : Direct materials Rs 8,000; Direct wages Rs 5,000; Direct expenses Rs. 2500; Administrative overheads Rs. 4000; Factory overheads Rs. 5000; Selling and distribution expenses 2,500 ; Sales Rs 40,000.

**(CONTD..2)**

**12.a.** Calculate Economic order Quantity :

Annual usage : 6000 units .

Cost of placing and receiving one order Rs 60

Cost of material per unit : Rs 20.

Annual carrying and storage cost 10 % of inventory .

(OR)

**12.b.** From the following the information Compute (a) Reorder level (b) Maximum level (c) Minimum level Normal usage 150 units per day. Minimum usage 100 units per day. Maximum usage 200 units per day .Reorder period 50 to 60 days. The annual usage is 50,000 units. The cost of purchase is Rs 100 per order . Cost per unit is Rs 1.00. Carrying cost is 10% per annum .

**13.a.** Show the causes for Labour turnover in a factory.

(OR)

**13.b.** In a factory, guaranteed wages are paid @ Rs 2 per hour and the payment is made on a weekly basis for week of 48 hours. By time and motion study it is estimated that the manufacture of a product requires 25 minutes. To this personal time and contingency allowance of 20 % is to be added. During one week Mr. **kesavan** produced 110 articles .

**Compute his wages Time and Piece**

14.a. Kesavan Ltd . has three production departments  $P_1$   $P_2$  and  $P_3$  and two service departments  $S_1$  and  $S_2$  .The following figures are extracted from the records off company :

Rent and Rates Rs 5,000 ; Indirect Wages Rs 1500; Depreciation of Machinery Rs

10,000; General lighting Rs 600; Power Rs 1500 and Sundries Rs 10,000.

|                            | $P_1$  | $P_2$  | $P_3$    | $S_1$ | $S_2$  |
|----------------------------|--------|--------|----------|-------|--------|
| Floor space (sq meters)    | 2000   | 2500   | 3,000    | 2,000 | 500    |
| Light points               | 10     | 15     | 20       | 10    | 5      |
| Direct wages ( rupees)     | 3,000  | 2,000  | 3,000    | 1500  | 500    |
| H.P of machines            | 60     | 30     | 50       | 10    | —      |
| Value of Machinery Rupees) | 60,000 | 80,000 | 1,00,000 | 5,000 | 5,000. |

Appropriation the cost to various departments on the most equitable basis by

**Show the Primary Departmental Distribution Summary.**

(OR)

14.b. Show the Calculation of Machine hour rate .

**15.a. Surya Transport** company operates 4 buses on a route on a route 100 kms Long . Each bus makes three round trips per day on all 30 days in a month . On an average 20 % of the vehicles are in garage for repairs and maintenance .

**Compute the total distance covered by the buses in one month Period .**

(OR)

**(CONTD..3)**

**15.b.** Examine the advantages of Operating Costing .

**SECTION – C** **(5 X 5 = 25 Marks)**

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**

**16.a. Prepare a statement showing cost and profit for the year ended**

**31.12.2013.**

|                                 | 1.1.2013 | 31.12.2013. |
|---------------------------------|----------|-------------|
| Raw materials                   | 1,00,000 | 1, 23,500   |
| Finished goods                  | 71,000   | 42,000      |
| Work –in- progress              | 31,000   | 34,000      |
| Purchase of raw materials       |          | 88,000      |
| Direct wages                    |          | 70,000      |
| Indirect Wages                  |          | 2,500       |
| Works expenses                  |          | 37,000      |
| Administrative expenses         |          | 13,000      |
| Sale of factory scrap           |          | 2,000       |
| Selling & distribution expenses |          | 15,000      |
| Sale of finished goods          |          | 2,75,000    |

**(OR)**

**16.b. Evaluate the Limitations of cost accounting .**

**17.a. Prepare the stores ledger card recording the following transactions under FIFO method**

2010 July 1 Opening stock 2,000 units at Rs.10 each

- 5 Received 1,000 units at Rs.11 each
- 6 Issued 500 units
- 10 Received 5,000 units at Rs. 12 each
- 12 Received back 50 units out of the issue made on 6<sup>th</sup> July.
- 14 Issued 600 units
- 18 Returned to supplier 100 units out of goods received on 5<sup>th</sup>.
- 19 Received back 100 units out of the issue made on 14<sup>th</sup> July.
- 20 Issued 150 units
- 25 Received 500 units at Rs. 14 each
- 28 Issued 300 units

The stock verification report reveals that there was a shortage of 10 units on 18<sup>th</sup> July and another shortage of 15 units on 26<sup>th</sup> July.

**(OR)**

**17.b. Point out the salient features of ABC analysis**

**(CONTD..4)**

**18.a.** With the help of the following information, Calculate the wages paid to workers Saravanan and Ranjith Under Taylor's differential piece rate system.

Standard time allowed 40 units per hour , Normal time rate Rs 4 per hour

Differential to be applied :

75 % of piece rate when below standard

125 % of piece rate when at or above standard

In a day of 8 hours, the workers have produced as follows :

Saravanan 280 units ; Ranjith 400 units.

(OR)

**18.b.** Distinguish between Time rate System and Piece Rate System

**19. a. Determine the machine Hour rate to cover overhead expenses indicated below:**

|                | Per Hour (Rs) |               | Per year(Rs) |
|----------------|---------------|---------------|--------------|
| Electric power | 0.75          | Rent          | 270          |
| Steam          | 0.30          | Repairs       | 550          |
| Water          | 0.20          | Running hours | 2000         |

Original cost of the machine is Rs 15,000. Book value Rs 3,500 Replacement value Rs 11,500, depreciation 10 % on Original cost.

(OR)

**19.b.** Analyze the different methods of Distribution of overheads

**20.a.** Point out the objectives of Transport costing.

(OR)

**20.b.** Write a short note on Operating charges and Maintenance charges.

\*\*\*\*\*