

## **N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**

## **END-OF-SEMESTER EXAMINATIONS : MAY – 2023**

## **B.Com. E.COMMERCE**

**MAXIMUM MARKS: 70**

## IV SEMESTER

**TIME : 3 HOURS**

### **PART – III**

# COST ACCOUNTING

**SECTION – A (10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS. (K1)**

## MULTIPLE CHOICE QUESTIONS

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.**

(K2)

6. Define Cost Unit.
7. What is meant by Reorder Level?
8. What is Piece Rate System?
9. Define Overhead.
10. Explain abnormal loss.

**SECTION – B (5 X4 = 20 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE****FOLLOWING QUESTIONS.****(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) What are the limitations of cost accounting?

12. a) From the following calculate Economic order quantity.

Monthly Consumption	125 units
Purchase price of input unit	Rs.25
Monthly carrying cost	1%
Ordering cost per order	Rs.22.5

**[OR]**

b) From the following details, prepare the stores ledger account by adopting FIFO method. What would be the value of stock at the end of the period?

Dec., 1	Opening stock 1000 units @ Rs.2.00 each.
3	Purchased 800 units at Rs.2.10 each.
5	Issued 1200 units.
10	Purchased 1600 units at Rs.2.10 each.

13. a) The output of the worker A is 60 units in a 40 hours week. Guaranteed time rate is Rs5 per hour. Ordinary piece rate is Rs.2 per unit. Show the earning of workers A under time rate and piece rate system.

**[OR]**

b) The following particulars apply to a job:

Standard Time	10 hours
Time taken	8 hours
Time rate	Rs.2 per hour

Calculate the earnings under Rowan Plan and Halsey Plan.

14. a) Calculate labour hour rate from the following:

Total number of workers	100
Working days in a year	300
No.of hours per day worked	8
Idle time 5%	
Factory overheads	Rs.11,40,000
Gift to workers	Rs. 7,000

[OR]

b) calculate 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.

15. a) From the following information, prepare process account and normal loss account.

Input of raw material	2000 units @6per unit
Direct expenses	Rs.10,400
Direct wages	Rs.10,000
Production overheads :	Rs.6,000
Actual output to process II	1900 units
Normal loss	5%
Value of scarp per unit	4

[OR]

b) In process 1, 600 units were introduced at Rs 20 per unit. The normal process loss is 20% of the input. The scarp is sold at Rs 3 per unit. Labour and overload expenses incurred in the process amounted to Rs 1320. 500 units were completed and transferred to finished stock account; you are required to show the process account and abnormal gain account.

**SECTION – C ( 4 X 10 = 40 MARKS)****ANSWERS ANY FOUR OUT OF SIX QUESTIONS. (K4/K5)****(16 TH QUESTIONS IS COMPULSORY AND ANSWER ANY THREE QUESTIONS (FROM Qn.No: 17 to 21)**

16. The following is the record of receipts and issues of material A in a Factory during the month of January 1999

Date	Particulars	Kg	Rate.(Rs)
1	Opening balance	100	10
1	Issued	60	-
2	Received	120	11
3	Issued	50	(Stock verification Showed a loss of 5 Kgs)
4	Received back from orders	20	(Previously issued at Rs.9 per Kg)
6	Issued	80	-
7	Received	45	Rs.12
10	Issued	50	-

At what prices will the material be issued under LIFO?

17. From the following particulars prepare a statement showing (a) Raw materials consumed (b) Prime cost (c) Works cost (d) Cost of production and (e) Profit

	1.1.2019	31.1.2019
Raw materials	Rs.	Rs.
Work-in-progress	20,000	32,000
Purchases of raw materials	26,500	14,000
Carriage inwards	90,000	
Direct wages	2,000	
Chargeable expenses	40,000	
Works overheads	15,000	
Administrative overheads	22,500	
Selling & distribution overheads	10,000	
Sales	14,000	
	2,20,000	

18. From the following information, calculate

i) Maximum stock level	ii) Minimum stock level	iii) 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 per day
Re-order period		10 to 15 days
Normal period		12 Days.

19. Calculate the earnings of workers A and B under Taylor's differential piece rate system and straight piece rate system from the following particulars:

Normal rate per hour Rs.18

Standard time per unit 20 seconds

Differential to be applied:

80% of piece rate below standard

120% of piece rate at or above standard

Worker A Produces 1,400 units per day and Worker B Produces 1,500 units per day of 8 hours.

20. The following information relates to the activities of production departments for a particular period in a factory.

Materials used	=	Rs.72,000
Direct wages	=	Rs.60,000
Hours of machine operation	=	Rs.20,000
Labour hours worked	=	Rs.24,000
Overheads chargeable to the department	=	Rs.48,000

On one order carried out in the department during the period the relevant data were:

Materials used	=	Rs.4,000
Labour hours	=	Rs.1,650
Direct wages	=	Rs.3,300
Machine hours	=	Rs.1,200

Prepare a comparative statement of cost of this order by using the following three methods of recovery of overheads:

- a) Direct labour hour rate method
- b) Direct labour cost rate method
- c) Machine hour rate method

21. A liquid medicine passes through three processes. During the month of January 2010, 600 gross bottles were produced .From the following details. Prepare process accounts

	<b>Process X</b>	<b>Process Y</b>	<b>Process Z</b>
Materials	4000	2000	1500
Labour	3000	2500	2300
Direct expenses	600	200	500
Cost of bottles	.....	2030	.....
Cost of corks	.....	.....	325

Indirect expenses were Rs.1,600. In process Y, the by-products were sold for Rs.240. In process Z, the residue was sold for Rs.125.50.