

(FOR THE CANDIDATES ADMITTED

21UBP513

DURING THE ACADEMIC YEAR 2021 – 22 ONLY)

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS : NOVEMBER 2023

COURSE NAME : B. Com – BPS

MAXIMUM MARKS: 70

SEMESTER : V

TIME : 3 HOURS

PART – III

21UBP513 – COST ACCOUNTING

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Direct Expenses are also called _____.
 - a) Major Expenses
 - b) Chargeable Expenses
 - c) Over Head Expenses
 - d) Sundry Expenses
2. Material Control involves _____.
 - a) Consumption of Material
 - b) Issue of Material
 - c) Purchase of Materials
 - d) Purchase, Storage and Issue of Materials.
3. Time Wages are paid on the basis of _____.
 - a) Standard Time
 - b) Time Saved
 - c) Actual Time
 - d) Output Produced
4. Scrap value of normal loss is _____.
 - a) Credited to P & L A/c
 - b) Show in Balance Sheet
 - c) Credited to Process A/c
 - d) Debited to Process Account
5. Job Cost is usually estimated on the basis of _____.
 - a) Customer's Specifications
 - b) Production Cost
 - c) Competitor's Prices
 - d) Govt. Regulations

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

(Qn. No. 6 - 10)

6. What are the elements of Cost?
7. Define Perpetual Inventory System.
8. What are the methods of measuring labour turnover?
9. Explain the meaning of Process Costing.
10. Define Job Costing.

SECTION – B

(5 X 4 = 20 MARKS)

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

(K3)

11. a) What are the advantages of Cost Accounting?

(OR)

- b) During the year 2008, X Ltd., produced 50,000 units of a product.

The following were the expenses:

Stock of Raw Material on 1.1.2008 – Rs. 10,000

Stock of Raw Material on 31.12.2008 – Rs. 20,000

Purchases – Rs. 1,60,000

Direct Wages – Rs. 75,000

Direct Expenses – Rs. 25,000

Factory Expenses – Rs. 37,500

Office Expenses – Rs. 62,500

Selling Expenses – Rs. 25,000

You are required to prepare a Cost Sheet showing cost per unit and total cost at each stage.

(CONT....2)

12. a) Material 'A' is used as follows:

Maximum Usage in a month – 600 units

Minimum Usage in a month – 400 units

Average Usage in a month – 450 units

Reorder Period : Maximum – 6 Months, Minimum – 2 Months

Reorder Quantity – 1,500 units

Maximum Reorder period for emergency purchases – 1 Month

Calculate (i) Reorder Level, (ii) Maximum Level, (iii) Minimum Level, (iv) Average Stock Level, (v) Danger Level.

(OR)

b) From the following particulars, prepare store ledger by adopting First in First out Method.

Date	Receipts
2010 Jan. 1	Purchased 300 units at Rs. 2 per unit
2	Purchased 600 units at Rs. 3 per unit
5	Issued 400 units
8	Issued 200 units
10	Purchased 600 units at Rs.5 per unit
12	Issued 400 units

13. a) From the following particulars find the amount required for cash payment of wages in a factory for a particular month:

Wages for normal hours worked – Rs. 2,00,000

Wages for overtime worked – Rs. 5,000

Leave Wages – Rs. 4,000

Deduction for Employees State Insurance Scheme – Rs. 3,000

Employees' Contribution to Provident Fund – Rs. 2,000

House Rent to be recovered from 20 employees at Rs. 50 per month. Employer also contributes an equal amount towards ESI and PF.

(OR)

b) Calculate the labour cost for the month of July 2010 relating to a workman from the following:

Basic pay Rs.200 per mensem

DA – Rs.150 per mensem

Employer's contribution to State Insurance 6% of Basic and DA.

Fringe Benefits Rs. 100 per mensem

Employer's contribution to Provident 5% of Basic and DA.

Employee's Contribution to State Insurance and Provident Fund is equal to that of Employer.

14. a) Prepare Process Accounts from the following details:

Particulars	I (Rs.)	II (Rs.)
Material	40,000	6,000
Labour	15,000	16,000
Expenses (Direct)	5,000	3,000

Production Overhead Rs. 60,000 to be allocated to Process I and II on the basis of 150% of Direct Wages. Production during the period 2,000 units.

(OR)

b) Prepare a Process Account from the following along with Abnormal Loss Account.

Material issued to Process 1000 kgs at Rs.200 each; Wages – Rs.1,40,000 and

Overhead – Rs.20,000. Normal Loss 10% of Input. Actual Output 800 Kgs.

15. a) From the following details, compute the overhead rate to be charged on the basis of the direct labour rate to Job No.707 and determine the total cost and selling price:

Material used – Rs. 4,000

Direct Wages – Rs. 3,000

Direct Labour Hours – 700 Hours

Estimated Factory Overheads for the year – Rs. 1,05,000

Estimated Labour Hours for the year 2,10,000

Gross Profit Ratio on Sales is 25%.

(OR)

- b) The following data is available in respect of Job No. 876:
 Direct Materials – Rs.17,000
 Wages – 160 hours at Rs.50 per hour.
 Variable overheads incurred for all jobs – Rs.80,000 for 2000 Labour hours.
 Fixed Overheads are absorbed at Rs.20 per hour.
 Find the Profit or Loss from the job if the job is billed for Rs.40,000.

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 (Or) K5)**

16. Distinguish between Cost Accounting and Financial Accounting.

17. Draw a statement of cost from the following particulars:

Opening Stock	Raw materials	2,00,000
	Finished goods	5,000
	Work-in-Progress	60,000
Closing Stock	Raw materials	1,80,000
	Finished Goods	15,000
	Work-in-Progress	50,000
Materials Purchased		5,00,000
Direct wages		1,50,000
Manufacturing Expenses		1,00,000
Sales		8,00,000
Selling and Distribution Expenses		20,000

18. From the particulars given below write up the stores ledger card:

2019 January 1 – Opening Stock – 1,000 units at Rs. 26 each

5 – Purchased 500 units at Rs. 24.50 each

7 – Issued 750 units

10 – Purchased 1,500 units at Rs. 24 each

12 – Issued 1,100 units

15 – Purchased 1,000 units at Rs. 25 each

17 – Issued 500 units

18 – Issued 300 units

25 – Purchased 1,500 units at Rs. 26 each

29 – Issued 1,500 units

Adopt the FIFO Method of Issue and ascertain the value of the closing stock.

19. Calculate the earnings of workers X and Y under (A) Straight Piece Rate System and (B) Taylor's Differential Piece Rate System from the following details:

Standard time per unit = 12 minutes

Standard rate per hour = Rs.60

Differentials to be used 80% and 120%

In a particular day of 8 hours, worker 'X' produced 30 units and worker 'Y' produced 50 units.

20. Product V requires 3 distinct processes and after the third process the product transferred to the finished stock. You are required to prepare Process Accounts from the following information:

Particulars	Process I	Process II	Process III
Direct Material	8,000	1,200	800
Direct Labour	3,000	3,200	1,800
Direct Expenses	1,000	600	--

The total production overheads was Rs. 12,000 and it must be allocated to different processes on the basis of 150% of direct wages. Production during the period was 400 units but there is no opening and closing stock.

21. From the data given below, obtained from the books of M/s. Anitha & Co., for the year ended 31st December, 2010, prepare (1) Consolidated Completed Jobs Account showing the profit or loss and (2) Consolidated work in Progress Account.

Particulars	Completed Jobs (Rs.)	Work-in- progress (Rs.)
Raw material supplied from Stores	9,000	3,000
Chargeable Expenses	1,000	400
Wages	10,000	4,000
Material transferred to Work-in-progress	200	200
Material returned to stores	100	-

Factory Overhead is 80% of wages and Office Overhead 25% of factory cost. The value of Executed jobs during 1998 was Rs.41,000.
