

(FOR THE CANDIDATES ADMITTED

23UIB203

DURING THE ACADEMIC YEAR 2023 ONLY)

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS : MAY 2024

B.COM (IB)-SF

MAXIMUM MARKS: 75

SEMESTER: II

TIME: 3 HOURS

PART - III**23UIB203 – COST ACCOUNTING**

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

(K1)

1. Prime cost + Factory overhead cost is _____.

a) Cost of production	c) Selling cost
b) Factory cost	d) Cost price
2. The materials issue method suitable at the time of fall in price is _____ method.

a) FIFO	c) LIFO
b) Simple average	d) Weighted average
3. In Taylor's differential piece rate system, _____ piece rates are set for each job.

a) Single	c) 2
b) 3	d) 4
4. The cost of the most serviceable departments is first apportioned to other production as well as the service department, under _____ method.

a) Direct redistribution	c) Reciprocal service method
b) Step method	d) Trial and error method
5. The costs which are incurred irrespective of mileage run are known as _____.

a) Variable cost	c) Fixed cost
b) Semi Variable cost	d) Operating cost

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. Show Cost Accounting.
7. Define Interpret ABC analysis.
8. Indicate the formula for calculating total earnings under Halsey Premium plan?
9. Infer Overhead.
10. Indicate how Operating cost per unit is calculated.

(CONTD 2)

SECTION – B**(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Describe the objectives of Cost Accounting. **OR**
 b) A factory produces 100 units of a commodity. The cost of production is:
 Materials Rs. 10,000 Wages Rs. 5,000
 Direct expenses Rs. 1,000 Factory overheads are 125% on wages
 Office overheads are 20% on works cost.
 Expected profit is 25% on sales.
 Show Cost sheet.

12. a) Calculate EOQ, from the following:
 Annual requirements 18000 units; cost of material per unit Rs. 27. Cost of placing and receiving an order Rs. 150; Annual carrying cost 20% of inventory value. **(OR)**
 b) Calculate i) Reorder level ii) Minimum stock level iii) Maximum stock level
 Normal usage 150 units per day Minimum usage 75 units per day
 Maximum usage 225 units per day Re - order quantity 900 units
 Reorder period 12 to 18 days

13. a) Examine the causes for labour turnover. **(OR)**
 b) Calculate the total earnings and the rate earned per hour of three workers under the Halsey and Rowan plans; the bonus under Halsey plan is 50% of the time saved.
 Standard time 20 hours Hourly rate of wages Rs. 4
 Time taken by A – 16 hours; B – 10 hours; C – 8 hours

14. a) Describe the classification of overheads in detail. **(OR)**
 b) Amit company has five departments; P,N,R,S are Producing departments and T is a Service department. The actual costs for a period are as follows:
 Repairs Rs. 2000 Rent Rs. 2500 Depreciation Rs. 1200
 Supervision Rs. 4000 Insurance Rs. 1500 Light Rs. 1800
 Employer's liability of employees' insurance Rs. 600
 The following data are also available in respect of the five departments:

Particulars	Dept. P	Dept. N	Dept. R	Dept. S	Dept. T
Area Sq. Ft.	140	120	110	90	40
No. Of workers	25	20	10	10	5
Total wages	Rs. 10000	Rs. 8000	Rs. 5000	Rs. 5000	Rs.2000
Value of plant	Rs. 20000	Rs.18000	Rs.16000	Rs.10000	Rs.6000
Value of stock	Rs. 15000	Rs.10000	Rs. 5000	Rs. 2000	

 Show how cost is apportioned to the various departments on the equitable basis.

15. a) List the characteristics of Operating costing. **(OR)**
 b) Explain the classification of cost under operating cost. **(CONTD 3)**

SECTION – C

(5 X 8 = 40 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS (K4 (or) K5)

16. a) Compare Cost Accounting with Financial Accounting.(OR)

b) Prepare a statement of cost from the following particulars:

Opening stock: Materials	Rs. 200000	WIP	Rs. 60000
Finished goods			Rs. 5000
Closing Stock: Materials	Rs. 180000	WIP	Rs. 50000
Finished goods			Rs. 15000
Materials purchased	Rs. 500000	Direct wages	Rs. 150000
Manufacturing expenses	Rs. 100000	Selling expenses	Rs. 20000
Sales	Rs. 800000		

17. a) Prepare Stores ledger account under FIFO method from the following:

1 st September	Opening balance	500 units @ Rs. 10 per unit.
Purchases:	6th September	100 units @ Rs. 11 per unit.
	20th September	700 units @ Rs. 12 per unit.
	27th September	400 units @ Rs. 13 per unit.
	13 th October	1000 units @ Rs. 14 per unit.
	20 th October	500 units @ Rs. 15 per unit.
	17 th November	400 units @ Rs. 16 per unit.

Issues: 9th Sept. 500 units; 22nd Sept. 500 units; 30th Sept. 500 units;15th Oct. 500 units; 22nd Oct. 500 units; 11th Nov. 500 units (OR)

b) Interpret the value of materials consumed during the period under LIFO method. The following information is extracted from the Stores ledger:

Stock on	1-4-2013	100 units at Rs. 5 per unit
Purchases:	5-4-2013	300 units at Rs. 6 per unit
	8-4-2013	500 units at Rs. 7 per unit
	12-4-2013	600 units at Rs. 8 per unit
Issues:	6-4-2013	250 units
	10-4-2013	400 units
	14-4-2013	500 units

18. a) Discuss the methods of remuneration with its merits and demerits.

(OR)

(CONTD 4)

b) Interpret and estimate the earnings of A, B, C and D under Merrick Differential Piece rate system

Standard production per hour	12 units
Normal rate per unit	Rs. 0.60
In an 8 – hour day	
A produced	64 units
B produced	96 units
C produced	84 units
D produced	100 units

19. a) Discuss the procedure of linking overheads to cost units. (OR)

b) Point out how the cost of the various service departments are to be apportioned to the production departments from the following information. Small Company Ltd., has three productive departments and four service departments. The expenses for these departments as per Primary distribution summary were:

Production departments:	Rs.	Rs.
A	30000	
B	26000	
C	24000	80000

Service departments:			
Store	4000		
Time keeping	3000		
Power	1600		
Canteen	1000		9600

The following information is also available in respect of the production departments:

	Dept A	Dept B	Dept C
Horse power of machines	600	600	400
Number of Workers	40	30	30
Value of stores requisitioned	Rs. 5000	Rs. 3000	Rs. 2000

20. a) Calculate total kilometers and total passenger kilometers:

Number of buses: 5	Days operated in a month: 25
Trip made by each bus: 4	Distance of route: 20 kilometers long (one way)
Capacity of bus: 50 passengers	
Normal passengers travelling: 90% of the capacity	

(OR)

b) Outline briefly the objects of Transport costing.
