

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : NOVEMBER 2024
B.COM.BPS **MAXIMUM MARKS: 50**
SEMESTER - V **TIME : 3 HOURS**

PART – III**22UBP511- COST ACCOUNTING****SECTION – A(10 X 1 = 10 MARK)****ANSWER THE FOLLOWING QUESTIONS. (K1)**

1. Classification of cost is useful _____
 a) to find gross profit. b) to find net profit. c) to identify costs. d) to identify efficiency
2. Perpetual inventory system involves_____.
 a) Bincard and stores ledger.
 b) Bill of material and material requisition.
 c) Purchase requisition and purchase order.
 d) Inward and outward invoices.
3. The Wage sheet is prepared by
 a) Time-keeping department
 b) Personnel department
 c) Payroll department
 d) Engineering department
- 4.. Process costing is based on the concept of _____
 a) Average cost
 b) Marginal cost
 c) Standard cost
 d) Differential cost
5. Work Certified is valued at _____
 a) Cost price
 b) Market price
 c) Cost or market price whichever is less
 d) Estimate price

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES (K2)

6. What is Cost Accounting?
7. Expand the term VED.

8. Infer Idle Time.
9. How to calculate Normal Loss?
10. State the meaning Job Order Costing?

SECTION – B **(5 X 3 = 15 MARKS)**

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)

11. a) What are the objectives of Cost Accounting?
(OR)
b) Prepare the specimen of a Cost Sheet.
12. a) ABC ltd purchases 1600 units of certain component from Y & Co;
Average annual usage is 1600 units.
The order cost is Rs.100 and the carrying cost is Rs 8 per unit.
Calculate EOQ.
(OR)
b) Calculate the material issue price under Simple Average method
Jan. 1, 100 units purchased of Rs.10 each
Jan 5, 300 units purchased of Rs.11 each
Jan 10, 400 units purchased of Rs.15 each
Jan 15, Issue of 500 units.

- 13.a) How would you treat Over Time in labour cost?

(OR)

- b) Calculate Total Earnings under Halsey and Rowan Premium plan from the following data:

Time allowed = 96 hours

Time taken = 80 hours

Rate per hour = Rs.2

(Or)

14. a) In process, 100 units of raw materials were introduced at a cost of Rs.1,000. The other expenditure incurred by the process was Rs. 600. Of the units introduced, 10% are normally lost in the course of manufacturing and they possess a scrap value of Rs.3 each. The output of Process was only 75 units. Calculate the value of abnormal loss and final output.

(OR)

(cont...3)

b) Calculate abnormal gain from the following information.

Input 100 units = Cost Rs.1000
 Normal Loss 10% ; Scrap Value Rs.100
 Actual output = 95 units

15.a) A factory uses job costing. The following data is obtained from its books for the year ended 31st December, 2023: Prepare Job Cost Sheet indicating sales value.

| Particulars | Rs |
|------------------------------------|-----------|
| Direct Materials | 90,000 |
| Factory Overheads | 45,000 |
| Selling and Distribution Overheads | 52,500 |
| Administration Overheads | 42,000 |
| Direct Wages | 75,000 |
| Profit | 60,900 |

(OR)

b) From the following information, calculate the Economic Batch Quantity for a company using batch costing:

Annual Demand for the components 2400 units

Setting up the cost per batch Rs.100

Manufacturing cost per unit Rs.200

Carrying cost per unit 6 % p.a

SECTION – C

(5 X 5 = 25 MARKS)

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

16. a) Explain the various ways of classification of cost.

(OR)

b) The accounts of KK Refrigerator Company Ltd. for the 2023 show

| Particulars | Rs |
|--------------------------|-----------|
| Materials | 3,50,000 |
| Labour | 2,70,000 |
| Factory Overheads | 81,000 |
| Administration Overheads | 56,080. |

(cont...4)

a) It is estimated that Rs 1,000 in material and Rs 700 in labour will be required for one refrigerator.

Absorb factory overheads on the basis of labour and administration overheads on the basis of Works cost.

b) A profit of 12½ % on selling price is required

What price should the company quote for a refrigerator?

17.a) The components A and B are used as follows:

Normal usage - 300 units per week each

Maximum usage - 450 units per week each

Minimum usage - 150 units per week each

Reorder Quantity – A - 2,400 units; B - 3,600 units.

Reorder period - A - 4 to 6 weeks, B - 2 to 4 weeks.

Calculate for each component:

(a) Re-order Level (b) Minimum Level (c) Maximum Level (d) Average Stock Level. **(OR)**

(b) The following transactions took place in request of Material during the month of September, 2023.

| Date | Particulars | Quantity | Rate per unit |
|----------|-------------|----------|---------------|
| Sept.-1 | Received | 500 | 10 |
| Sept.-10 | Received | 300 | 12 |
| Sept.-15 | Issued | 700 | --- |
| Sept.-20 | Received | 400 | 14 |
| Sept.-25 | Issued | 300 | --- |
| Sept.-27 | Received | 500 | 11 |
| Sept.-30 | Issued | 200 | --- |

You are request to prepare Stores Ledger under FIFO Method.

18. a) ABC Company Ltd is divided into four department A, B and C are production departments and D is service department. The actual costs for a period are as follows:

| | Rs. | | Rs. |
|------------------------------------|------|--------------------------|------|
| Rent | 5000 | Supervision | 3000 |
| Repairs to plant | 1400 | Fire Insurance for stock | 800 |
| Depreciation on plant | 2800 | Power | 2000 |
| Employer's liability for insurance | 2200 | Light | 300 |
| Stores overhead | 5000 | Welfare expenses | 4500 |

The following information available in respect of four departments.

(cont...5)

| Overhead | Dept. A | Dept. B | Dept. C | Dept. D |
|--------------------|---------|---------|---------|---------|
| Area(Sq.Meters) | 2000 | 1500 | 1000 | 500 |
| No. of Employees | 500 | 400 | 350 | 250 |
| Direct wages Rs. | 4000 | 2500 | 3000 | 1500 |
| Value of plant Rs. | 6000 | 4800 | 3600 | 2400 |
| Value of stock Rs. | 2000 | 3000 | 2000 | 1000 |
| H.P.Plant (Power) | 15 | 10 | 10 | 5 |
| Direct material | 1200 | 800 | 300 | 200 |

Apportion the costs to the various departments on the most equitable basis. (OR)

b) Work out the machine hour rate of a saw mill from the following information of a wood working shop:

- Purchase price of the saw mill Rs.90000
- Railway freight and installation charges Rs.100
- Life of the sawmill is 10 years and 2000 working hours per year.
- Repair charges 50% of depreciation.
- Consumption of electric power 10 units per hour @ 70 paise per unit.
- Lubricating oil Rs.20 per day of 8 hours.
- Consumable stores 100 per day of 8 hours
- Wages of machine operator Rs.40 per day of 8 hours

19. a) From the mentioned information prepare process accounts indicating the cost of each process and the total cost. The production was 480 articles per week.

| Particulars | Process I | Process II | Process III |
|-------------------|-----------|------------|-------------|
| | Rs. | Rs. | Rs. |
| Material | 3000 | 1000 | 400 |
| Labour | 1600 | 4000 | 1200 |
| Factory overheads | 520 | 1440 | 500 |

Office overheads amounting of Rs1700 should be apportioned on the basis of wages.

Ignore stock in hand and work-in-process at the beginning and end of week.

(OR)

b) A product is completed in three consecutive processes. During a particular month the input to Process 1 of the basic raw material was 5,000 units at Rs.2 per unit. Other information for the month was as follows:

(cont...6)

| | | Process 1 | Process 2 | Process 3 |
|---------------------------|-------|-----------|-----------|-----------|
| Output | Units | 4,700 | 4,300 | 4,050 |
| Normal loss as % of input | Rs | 5% | 10% | 5% |
| Scrap value per unit | Rs | 1 | 5 | 6 |
| Direct wages | Rs | 3,000 | 5,000 | 8,000 |
| Direct expenses | Rs | 9,750 | 9,910 | 15,560 |

Overhead Rs 32,000 of total, chargeable as percentage of direct wages. There were no opening or closing work-in-progress stocks. Prepare Process 1, Process II and Process III Account.

20. a) Raj Engineering Company undertakes long term contracts which involve fabrication of pre-stressed concrete blocks and erection of the same on consumer's side. The following information is supplied regarding contract 666 which is incomplete on 31.03.2023

| Fabrication | Rs |
|--------------------------|-----------------|
| Direct Materials | 2,80,000 |
| Direct Labour | 90,000 |
| Overhead | 75,000 |
| | 4,45,000 |
| Erection cost to date | 15,000 |
| Total | 4,60,000 |
| Contract price | 8,19,000 |
| Cash received on account | 6,00,000 |

A technical estimate of completion of work:

Fabrication - Direct Materials - 80%,

Direct labour and overheads - 75%;

Erection - 25%.

You are required to prepare:

1. Estimated profit on completion of contract
2. Estimated profit to date on contract

(OR)

b) Explain the differences between Job Costing and Batch Costing.
