

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2022ONLY)

22UBP511

REG.NO. :

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) Bin card 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.

Ethical paper

(CONT...2)

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.
