

(FOR THE CANDIDATES ADMITTED SUBJECT CODE **23 UEC 412**
 DURING THE ACADEMIC YEAR 2023-24 ONLY) REG.NO.

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

END-OF-SEMESTER EXAMINATIONS : MAY - 2025

B.Com. E COMMERCE

MAXIMUM MARKS: 75

SEMESTER: IV

TIME : 3 HOURS

PART – III
COST ACCOUNTING
SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. In which is the main purpose of cost accounting?
 - [a] Maximize profits
 - [b] Help in inventory valuation
 - [c] Provide information to management for decision making
 - [d] Aid in the fixation of selling price
2. Which is called an agreed price?
 - [a] Receiving report
 - [b] Purchase order
 - [c] Material requisition form
 - [d] Purchase requisition
3. What department has prepared by wage sheet?
 - [a] Cost accounting department
 - [b] Payroll department
 - [c] Personnel department
 - [d] Time keeping department
4. Which overhead is suitable for best example of bad debts?
 - [a] Manufacturing overhead
 - [b] Administrative overhead
 - [c] Selling overhead
 - [d] Distribution overhead
5. Where account is recorded for Process Cost?
 - [a] Balance Sheet
 - [b] Profit and Loss Account
 - [c] Separate Statement
 - [d] Separation Account in Ledger

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

6. What is by Cost sheet?
7. Expand FIFO
8. Where is to change the cost of abnormal idle time?
9. State the basis of apportionment of Rent, Rates & Taxes
10. What is meant by Scrap?

(CONTD 2)

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

11. a) Briefly write various objectives of Cost Accounting

(OR)

b) Calculate prime cost from the following information:-

Opening stock of raw material = Rs. 2,50,000

Purchased raw material = Rs. 15,00,000

Expenses incurred on raw material = Rs. 1,00,000

Closing stock of raw material = Rs. 4,50,000

Wages Rs. 9,52,000

Direct expenses Rs. 4,68,000

12. a) Give a brief note on ABC Analysis

(OR)

b) Find out the Economic Order Quantity

Monthly Consumption – 3,000 units

Cost Per unit – Rs.54

Ordering Cost – Rs.150 per order

Inventory Carrying Cost 20% of the Average Inventory

13. a) Ascertain the Bonus under Halsey plan:

Standard time: 15 hours Actual time: 10 hours

Time rate: Rs 2 per hour

(OR)

b) Find the overtime hours and overtime wages from the following

Actual hours worked : 50

Normal working hours : 40

Normal wage rate : Rs. 25 per hour

14. a) Western Textile Company has capacity to manufacture 84,000 units of cloths. The normal capacity is 85% of the ideal capacity, but the company expects to sell 70,000 units in the forthcoming year. Budgeted fixed overheads amount to Rs. 4,72,500. Variable overheads at an output level of 84,000 units amount to Rs. 2,10,000.

A total of 60,000 units were produced during a year and overheads incurred as budgeted.

(i) Determine total overheads (fixed and variable) recovery rate per unit

(ii) Calculate under or over absorption of overheads

(OR)

(CONTD 3)

b) Indicate the basis of apportionment for the overhead expenses mentioned below:

(1) Rent, rates and taxes (2) Employees State insurance contribution
 (3) Power (4) Repairs and maintenance
 (5) Employer's contribution to provident fund
 (6) Supervision (7) Factory cleaning (8) Insurance of building
 (9) General expenses (10) Crèche expenses.

15. a) Find out the cost of output and Abnormal Loss
 Cost per unit of the process Rs. 80
 Output of the process 1000 units
 Abnormal Loss 200 units
 Scrap Value Rs. 20 per unit
 Market price per unit Rs. 120

(OR)

b) From the following information, you are required to prepare process account:

Particulars	Amount (Rs.)
Material Consumed	12,000
Direct Labour	14,000
Manufacturing Expenses	4,000
Input in Process A (10,000 Units)	10,000
Output (9,400 Units)	
Value of normal wastage Rs.8 per 100 units	

SECTION – C

(5 X 8 = 40 MARKS)

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

16. a) Distinguish between Cost Accounting and Management accounting.

(OR)

b) Prepare a cost sheet for the period ended 31 March 2007

Cost of Raw Material	Rs. 200000
Productive Wages	Rs. 150000
Indirect Labour	Rs.10000
Carriage Inwards	Rs.20000
Other factory	Rs.25000
Office Expenses	Rs.40000
Legal Expenses	Rs.10000
Expenses for testing the quality of goods	Rs.5000
General managers salary	Rs.30000
Selling expenses	Rs.20000
Profit 20% on total cost	

(CONT'D 4)

17. a) The following transactions, took place in respect of an item of material:

Date	Receipts (in Qty)	Rate (in Rs.)	Issues (in Qty)
01.07.2015	200 Units	2.00	Nil
05.07.2015	300 Units	2.40	Nil
12.07.2015	Nil	Nil	250 Units
20.07.2015	250 Units	2.60	Nil
31.07.2015	Nil	Nil	200 Units

Record the above transactions in the stores ledger pricing the issues at simple average rate method.

(OR)

b) The stock of material as on 1st April was 200 units at Rs.2 each. From the following particulars, Prepare stores ledger account under LIFO method:

April 5	Purchases	100 units at Rs.2.20 each
April 10	Purchases	150 units at Rs.2.40 each
April 20	Purchases	180 units at Rs.2.50 each
April 2	Issues	150 units
April 7	Issues	100 units
April 12	Issues	100 units
April 28	Issues	200 units

18. a) Calculate the earnings of workers A and B under Straight Piece-rate System and Taylor's Differential Piece-rate System form the following particulars.

Normal rate per hour = Rs.1.80

Standard time per unit = 20 seconds

Differentials to be applied:

80 % of piece rate below standard

120% of piece rate at or above standard.

Worker A produces 1,300 units per day and worker B produces 1,500 units per day.

(OR)

b) Following information has been given for calculating the wages of the workers under various plans:

(CONT'D 5)

Hourly wage rate	Rs. 7.50
Piece rate per unit	Rs. 3.00
Normal time taken per piece	20 minutes
Normal output per week	120 pieces
Actual output for the week	150 pieces
Differential piece rate	80% of piece rate output below normal and 120% of piece rate when output above normal.
Weekly working hours	48

Calculate the wages of a worker under below mentioned plans:

- (a) Straight Piece Rate
- (b) Differential Piece Rate
- (c) Halsey Premium Scheme (50% sharing)
- (d) Rowan Premium Scheme

19. a) X Ltd., has four departments A, B, C are Producing departments and D is Service departments.

The actual cost for a period are as follows:

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Repair to Plant	600	Fire Insurance in respect of stock	500
Rent	1,000	Employers Liability of employees Insurance	150
Depreciation on Plant	450	Lighting	120
Supervision	1,000	Power	900

The following data are also available in respect of four departments:

Particulars	Departments			
	A	B	C	D
Area (Sq. meters)	1500	1,100	900	500
No. of Employees	20	15	10	5
Total Wages Rs.	6,000	4,000	3,000	2,000
Value of Plant Rs.	24,000	18,000	12,000	6,000
Value of Stock Rs.	15,000	9,000	6,000	-
H.P. of Plant (kwh)	24	18	12	6

Apportion the cost of the various department on the most equitable basis.

(OR)

(CONT'D 6)

b. In a factory, there are two service departments I and II and three production departments. A, B, and C. In April 1992, the departmental expenses were

Departments	A (Rs.)	B (Rs.)	C (Rs.)	I (Rs.)	II (Rs.)
	6,50,000	6,00,000	5,00,000	1,20,000	1,00,000

The expenses of the service departments are allotted on a percentage bases as follows:

Departments	A (Rs.)	B (Rs.)	C (Rs.)	I (Rs.)	II (Rs.)
I (Rs.)	30	40	15	-	15
II (Rs.)	40	30	25	5	-

20. a) From the following information, Prepare Process Accounts

Particulars	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)
Direct Materials	30,000	7,500	7,500
Direct Wages	22,500	15,000	15,000
Closing Stock	7,500	8,750	21,300

Finished goods were sold for Rs.1,30,000. Closing Finished Stock was Rs.5,612. It is the policy of the company to charge 20% on transfer price while transferring the goods from each process.

(OR)

b. A Product passes through 3 Processes. The following relate to the 3 processes during Sep 2008.

Particulars	Process I (Rs.)	Process II (Rs.)	Process III (Rs.)	Total (Rs.)
Material Consumed	2,600	2,000	1,025	5,625
Labour	2,250	3,680	1,400	7,330
Production Overheads	Nil	Nil	Nil	7,330
Output (Units)	450	340	270	Nil
Normal Loss (%) of Input	10	20	25	Nil
Scrap Value (Rs.Per Unit)	2	4	5	Nil

500 units @ Rs. 4 per Unit were introduced in Process I. Production Overheads is absorbed in the ratio of labour. Prepare the Process Accounts and Abnormal Loss and Abnormal Gain Accounts.