

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

END-OF-SEMESTER EXAMINATIONS : DECEMBER – 2022

B.Com. (AIDED & SF)

MAXIMUM MARKS: 70

V SEMESTER

TIME : 3 HOURS

**PART - III
COST ACCOUNTING**

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Basic objectives of cost accounting is _____
a) Tax compliance b) Financial audit c) Cost ascertainment d) Profit analysis
2. Direct materials + direct labour + direct expenses = _____.
a) Books cost b) Cost of production c) Cost of sales d) Prime cost
3. Over absorption of overheads in Costing will effect on Profit as per _____.
a) Less profit in Cost Account b) More Profit in Financial Account
c) Less profit in Cost A/c and More profit in Financial A/c d) More profit in Cost Account
4. In process costing, each producing department is a _____
a) Cost Unit b) Cost Centre c) Investment centre d) Sales centre
5. The cost of product as determined under standard cost system is _____
a) Fixed cost b) Historical cost c) Direct cost d) Predetermined cost

ANSWER THE FOLLOWING ONE OR TWO SENTENCE.

K2

6. Define cost accounting.
7. Explain the properties of EOQ
8. Indicate the importance of labour cost control.
9. Differentiate between normal loss and abnormal loss.
10. Explain the need for Batch costing

SECTION – B (5X4=20 MARKS)

ANSWER EITHER (A) OR (B) IN EACH OF THE FOLLOWING QUESTIONS. K3

11. a) Describe the objectives and functions of cost accounting
(OR)
- b) From the following particulars prepare a statement showing (a) Raw materials consumed
(b) Prime cost (c) Works cost (d) Cost of Production (e) Profit

(CONTD.....2)

Particulars	1.1.2009	31.1.2009
Raw materials	20,000	32,000
Work-in-Progress	26,500	14,000
Purchases of Raw Materials		90,000
Carriage Inwards		2,000
Direct wages		40,000
Chargeable Expenses		15,000
Works overheads		22,500
Administrative overheads		10,000
Selling & Distribution overheads		14,000
Sales		2,20,000

12. a) The following information is obtained from the bin cards of a Company.

- Calculate the inventory turnover of materials X, Y and Z.
- If the prices of materials X, Y and Z are Rs.10, 7 and 4 per unit respectively, what is the total turnover of materials consumed?
- Find the period for which average inventory of each material is held.

	X Units	Y Units	Z Units
Purchases	1,20,000	1,08,000	1,20,000
Opening Stock	6,000	2,000	10,000
Closing Stock	3,000	12,000	18,000

(OR)

b) Sun Ltd., buys its annual requirements of 72,000 units in 12 instalments. Each unit cost Rs.2 and the ordering cost is Rs.25. The inventory carrying cost is estimated at 20 per cent of unit value. Find out the total annual cost of the present inventory policy. How much savings can be effect if E.O.Q is adopted?

13. a) Describe the) From the following data given by the Personnel Department, calculate labour Turnover rate by applying:

- Separation Method
- Replacement Method
- Flux Method

No of workers on the payroll: At the beginning of the month :900 At the end of the month: 1,100.

During the month, 10 workers left, 40 persons were discharged and 150 workers are recruited. Of these 25 workers are recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme.

(OR)

(OR)

b) From the following particulars, you are required to prepare a statement of labour cost showing the cost per day of 8 hours.

- Monthly salary Rs.200
- Leave salary 5% of salary
- Employer's contribution to Provident Fund 8% of a and b
- Employer's contribution to State Insurance 2.5 of a and b
- Pro-data expenditure on amenities to Labour Rs.17.95 per head, per month.
- No of Working hours in a month 200

14. a) A product passes through two distinct processes A and B and then to finished stock. From the following information prepare process accounts.

	Process A Rs.	Process B Rs.
Materials consumed	12,000	6,000
Direct Labour	14,000	8,000
Manufacturing expenses	4,000	4,000
Input in Process A(units)	10,000	-
Input in Process A(value)	10,000	-
Output in units	9,400	8,300
Normal loss	5%	10%
Value of Normal loss(per 100) units	8	10

(OR)

b) A product passes through three distinct processes to completion. During March 500 units were produced. From the following information, prepare process accounts showing the total cost as well as cost per unit.

	Process I	Process II	Process III
Materials	10,000	7,000	3,000
Labour	2,500	2,000	2,500
Direct expenses:			
Fuel	500	1,000	500
Carriage	1,500	500	1,000
Works Overheads	2,000	2,500	2,000

Indirect expenses Rs.14,000 should be apportioned on the basis of wages.

(CONTD.....4)

15. a) In a factory 20,000 units of Product X were manufactured in the month of September, 2018. From the following figures obtained from the costing records, prepare a Cost Sheet showing the total cost and cost per unit:

Particulars	Rs.
Direct Material Consumed	2,00,000
Direct Wages	1,60,000
Other Direct Expenses	40,000
Factory Overheads	80,000
Office & Administrative Overheads	60,000
Selling & Distribution Overheads	60,000

Calculate the cost per passenger.

(OR)

b) AXA Passenger Transport Company is running 5 buses between two towns, which are 40 kms apart. Seating capacity of each bus is 40 passengers. Following details are available from their books, for the month of April 2019:

	Amount(Rs)
Salary of Drivers, Cleaners and Conductors	24,000
Salary to Supervisor	10,000
Diesel and other Oil	40,000
Repairs and Maintenance	8,000
Tax and Insurance	16,000
Depreciation	26,000
Interest	20,000
	1,44,000

SECTION – C

(K4 (Or) K5)

ANSWER ANY FOUR QUESTIONS OUT OF SIX QUESTIONS. (4 X 10 =40 MARKS)

(Question Number: 16 is compulsory)

16. Differentiate between cost accounting and management accounting.

17. The stock of materials as on 1st April was 200 units at Rs.2 each. The following purchases and issues were made subsequently. Prepare stores Ledger Account showing how the value of the issues would be recorded under a) FIFO and b) LIFO methods.

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

18. The following details pertain to the production department of a factory.

	Rs.
Materials consumed	60,000
Direct wages	36,000
Machine hours	18,000
Labour hours worked	27,000
Factory overheads	54,000
Output during the year	9,000

Calculate overhead absorption rate under different methods possible from the above data.

19. From the following information, prepare process account and normal loss account.

Input of Raw Materials	2000 units@ Rs.6 p.u
Direct Materials	Rs.10,400
Direct Wages	Rs.10,000
Production overheads	Rs.6,000
Actual output to Process II	1900 units
Normal Loss	5%
Value of Scrap p.u	Rs.4

20. The following information for the year ended December 31, 2018 is obtained from the books and records of a job order factory:

	Completed jobs Rs.	Work-in- progress Rs.
Raw Materials supplied from stores	90,000	30,000
Wages	1,00,000	40,000
Chargeable Expenses	10,000	4,000
Materials transferred to work-in-progress	2,000	2,000
Materials returned to stores	1,000	---

Factory Overheads are 80% of wages and office overheads are 25% of Factory Cost. The price of the executed Contracts during 2018 was Rs. 4,10,000. Prepare (i) Consolidated Completed Jobs Account showing the profit made or loss incurred, and also Consolidated Work-in-progress Account.

21. Examine the methods of methods of absorption in factory overheads