

15U438

(Pages: 4)

Name:

Reg. No.

FOURTH SEMESTER B.Com. DEGREE EXAMINATION, MAY 2017

(CUCBCSS-UG)

CC15U BC4 B05 - COST ACCOUNTING

(Core Course)

(2015 Admission)

Time: Three Hours

Maximum: 80 Marks

Part A

I. Objective type Questions. Answer all ten questions:

(A) Fill in the Blanks :

1. is the method of costing applied in those organizations where different kinds of services are rendered.
2. EOQ stands for.....
3. is the stock created out of the first lot of the materials purchased and valued at the cost price of the first lot.
4. The system of cost accounting in which cost is determined that of a single product in single unit is known as.....
5. The method of costing applicable to printers, machine tools and general engineering workshops is termed as.....

(B) Choose the correct answer :

6. is the attendance register is kept under the custody of the time keeper at the factory gate
a. Muster Roll b. Job card c. Dial time recorder d. None of these
7. is the process of charging the total overheads allotted to each production department or cost centre to the various cost units.
a. Allocation of Overheads b. Apportionment of Overheads
c. Absorption of Overheads d. None of these
8. The method of costing applied in building and construction industries.
a. Job costing b. Contract costing c. Batch costing d. Standard costing
9. The percentage of work certified retained by the contractee to ensure further progress of work is called
a. Cost of extra work b. Notional Profit
c. Retention Money d. Work-in-Progress

(1)

Turn Over

10. When the actual process loss or wastage is less than the expected process loss or wastage is known as.....

- a. Normal gain b. Abnormal gain c. Normal Loss d. Abnormal Loss

(10x1=10 Marks)

Part B

II. Answer any eight questions. Each question carries 2 marks:

11. What is meant by cost centre?
12. Define cost sheet.
13. What is stores ledger?
14. What is re-ordering level?
15. What is labour turn over rate?
16. What do you mean by Payment by Results?
17. What do you mean by over absorption overheads?
18. What is cost plus contract?
19. Define process costing.
20. What is flexible budgeting?

(8x2=16 Marks)

Part C

III. Answer any six questions. Each question carries 4 marks.

21. Describe the objectives of cost sheet.
22. Explain the accounting treatment of profit on incomplete contract.
23. Discuss the preliminaries of establishing standard cost system.
24. Find out the economic ordering quantity (EOQ) from the following particulars.
Annual usage: 6000 units
Cost of material per unit: Rs. 20
Cost of Placing and receiving one order: Rs.60
Annual carrying cost of one unit: 10% of inventory value.
25. Calculate the minimum stock level, maximum stock level, re-ordering level and average stock level from the following information:
Minimum consumption =100 units per day
Maximum consumption = 150 units per day
Normal consumption = 120 units per day
Re-order period = 10-15 days
Re-order quantity = 1,500 units
Normal re-order period = 12 days

(2)

15U438

26. Calculate the earnings of workers A, B and C under straight piece rate system and Merrick's multiple piece rate system from the following particulars:

Normal rate per hour Rs. 1.8

Standard time per unit 1 minute

Output per day is as follows: Worker A: 384 Units Worker B: 450

Units Worker C: 552 Units. Working hours per day are 8

27. In process X, 100 units of raw materials was introduced at a cost of Rs. 3,000. The other expenses incurred were Rs. 1,806. Of the units introduced 10% are normally lost during the course of manufacture and they are sold as scrap @ Rs. 9 per unit. The output of Process X was only 75 units. You are required to prepare Process X account and abnormal loss account.

28. Compute passenger kms. and cost per passenger km from the following.

5 passenger buses valuing Rs. 5,00,000, Rs. 1,20,000, Rs. 4,00,000,
Rs. 5,00,000 and Rs. 80,000

Yearly depreciation of vehicles – 20% of the cost

Annual repair, maintenance of spare parts – 80% of depreciation

Salary of 5 drivers @ Rs.1,000 per month

Wages of 10 cleaners @ Rs.500 per month

Yearly rate of interest – 10% on capital

Rent of 6 garages @ Rs.500 per month per garage

Directors fees- Rs.800 per month

Office establishments - Rs. 5,000 per month

License fee & Taxes – Rs. 4,000 every month

Realization by sale of old tyres and tubes – Rs. 3,200 every six months

9000 passengers were carried over 16,000 kilometers during the year.

(6x4=24 Marks)

Part D

IV. Answer any two questions. Each question carries 15 marks.

29. Define Costing. Explain the methods and techniques of costing.

(3)

Turn Over

32. The expenses budgeted for production of 10,000 unit in a factory are furnished below:

	Per unit in Rs
Material cost	70
Labour cost	25
Variable factory over head	20
Fixed over head (Rs. 1,00,000)	10
Variable expenses(Direct)	5
Selling expenses (20% fixed)	15
Distribution overhead (10% fixed)	10
Administration expenses (Rs, 50,000)	5

Prepare a flexible budget for production of 8,000 units.

33. A construction company with a paid up share capital of Rs.50,00,000 undertook a contract to construct houses. The contract work commenced on 1.1.2014 and the contract price was Rs.50,00,000. Cash received on account of contract on 31.12.2014 was Rs.18,00,000 (90% of the work certified). Work completed but not certified was estimated at Rs.1,00,000. As on 31.12.2014, material at site was estimated at Rs.30,000 and machinery at site costing Rs.2,00,000 was returned to stores. Plant and machinery at site is to be depreciate at 5%. Wages outstanding on 31.12.2014 was Rs.5,000.

	Rs.
Land and Buildings	15,00,000
Plant and Machinery at cost (60% at site)	25,00,000
Lorries and other vehicles	8,00,000
Furniture	50,000
Office equipments	10,000
Materials sent to site	14,00,000
Fuel and power	1,25,000
Site expenses	5,000
Postage and Telegrams	4,000
Office expenses	8,000
Rates and Taxes	15,000
Cash at Bank	1,33,000
Wages	2,50,000

Prepare the contract account to ascertain the profit from the contract and Show the work in progress in the balance sheet.

(2x15=30 Marks)

(4)