

The expenses for the period were:

Motive power Rs. 550: Lighting power Rs. 100: Stores overhead Rs. 400: Amenities to staff Rs. 1,500: Depreciation Rs. 15,000: Repairs and maintenance Rs. 3,000: General overheads Rs. 6,000: and Rent & taxes Rs. 275.

Apportion of the expense of service department E in proportion of 3 : 3 : 4 and those of service department D in the ratio of 3 : 1 : 1 to departments A,B and C respectively.

31. Prepare a reconciliation statement of Captain manufacturing company Ltd.

| | |
|--|----------|
| Net profit as per financial accounts | 1,28,755 |
| Net profit as per cost accounts | 1,72,400 |
| Works overheads under recovered in cost accounts | 3,120 |
| Administration overheads recovered in excess | 1,700 |
| Depreciation charged in financial accounts | 11,200 |
| Depreciation charged in cost accounts | 12,500 |
| Interest received not in cost books | 8,000 |
| Obsolescence loss charged in financial books | 5,700 |
| Income tax provided in financial books | 40,300 |
| Bank interest credited in financial books | 750 |
| Sales adjustment credited in financial books | 475 |
| Depreciation of stock charged in financial books | 6,750 |

(2 x 15 = 30 Marks)

(4)

19U358

(Pages: 4)

Name:

Reg. No.....

THIRD SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOV 2020

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC17U BCP3 B11 - COST ACCOUNTING

(Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

Answer *all* questions. Each question carries 1 mark.

- Cost accounting is a branch of
 - Accounting
 - Financial accounting
 - Management accounting
 - Statistics
- Under ABC analysis materials are classified on the basis of :-
 - Durability
 - Importance of production
 - Value of materials
 - Size of materials
- Which of the following methods provides three piece rate?
 - Taylor's system
 - Halsey system
 - Rowan scheme
 - Merrick's system
- Which of the following is not an item of factory overheads?
 - Depreciation of machinery
 - Factory rent
 - Indirect wages
 - Audit fees
- Which of the following is considered as a normal loss?
 - Pilferage
 - Loss due to accident
 - Loss due to breaking bulk
 - None of these
- Under _____ method, a new issue price is calculated after each issue.
- High rate of labour turnover _____ cost of production.
- Allotment of overheads to cost unit is known as _____
- In cost accounting stock is always valued at _____
- In reconciliation statement, incomes shown only in financial accounts are _____

(10 x 1 = 10 Marks)

Part B (Short answer questions)

Answer any *eight* questions. Each question carries 2 marks.

- Define cost accounting.
- What is opportunity cost?

(1)

Turn Over

13. What is Bin card?
14. What is ABC analysis?
15. Mention two merits of time wage system.
16. What is meant by apportionment of overheads?
17. What is integrated accounting?
18. What is labour hour rate?
19. What is EOQ?
20. Mention two features of ideal costing system?

(8 x 2 = 16 Marks)

Part C

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

21. What are the various methods of costing?
22. What are the advantages of centralised purchasing?
23. Explain features of an ideal wage plan?
24. Distinguish between allocation and apportionment.
25. Calculate EOQ from the following information. Also state the number of orders to be placed in a year.

Annual consumption 10,000 Kg
 Cost of placing an order Rs. 50
 Cost per Kg of material Rs. 2
 Storage cost 8% of inventory

26. On the basis of the following information, calculate the earnings of A and B under straight piece rate system and Taylor's differential piece rate system:

Standard production : 8 units per hour
 Normal time rate : 0.40 per hour
 Differential to be applied : 80% of piece rate below standard
 : 120% of piece rate below standard

In a nine hours day 'A' produces '54' units and 'B' produces '75' units.

27. Compute machine hour rate from the following information regarding to machine A

| | | | |
|-----------------------|--------|-------------------------|----------|
| Cost of machine | 27,000 | Foreman's salary | 15,000 |
| Scrap value | 4,000 | Lighting | 720 |
| Working hours p.a | 3,600 | Expected working life | 10 years |
| Insurance p.a | 90 | Repairs for entire life | 2,812 |
| Cotton waste p.a | 150 | Power 20 units per hour | |
| Rent for the dept p.a | 1,950 | @ 1.50 per unit | |

Machine occupies 1/5th area and foreman devotes 1/4th of his time to machine A. the machine has two points out of the total 12 for lighting in the department.

28. From the following, prepare stores ledger account using LIFO method.

| | |
|--------|--|
| Jan 1 | Purchased 4000 units at Rs. 6 per unit |
| Jan 5 | Purchased 500 units at Rs. 5 per unit |
| Jan 8 | Issued 2000 units |
| Jan 15 | Purchased 6000 units at Rs. 7 per unit |
| Jan 18 | Issued 4000 units |
| Jan 21 | Issued 3000 units |
| Jan 25 | Purchased 4000 units at Rs. 6 per unit |
| Jan 27 | Issued 3500 units |

(6 x 4 = 24 Marks)

Part D

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

29. Two components X and Y are used as follows.

Normal usage 1400 units per week each.

Maximum usage 1800 units per week each

Minimum usage 1000 units per week each

Re-order quantity - X 10,400 units, Y 14,000 units
 Re-order period - X 3 to 5 weeks, Y 2 to 4 weeks

Calculate for each component

- a) Re order level b) Minimum level c) Maximum level d) Average level

30. In a light engineering factory, the following particulars have been collected for the three months period ended on 31st March 2010. You are required to prepare Production Overheads Distribution Summary showing clearly the basis of apportionment where necessary.

| | | Production Departments | | | Service Departments | |
|-----------------|------|------------------------|--------|--------|---------------------|--------|
| | | A | B | C | D | E |
| Direct wages | Rs. | 2,000 | 3,000 | 4,000 | 1,000 | 2,000 |
| Direct material | Rs. | 1,000 | 2,000 | 2,000 | 1,500 | 1,500 |
| Staff | Nos | 100 | 150 | 150 | 50 | 50 |
| Electricity | K Wh | 4,000 | 3,000 | 2,000 | 1,000 | 1,000 |
| Light points | Nos | 10 | 16 | 4 | 6 | 4 |
| Asset value | Rs. | 60,000 | 40,000 | 30,000 | 10,000 | 10,000 |
| Area occupied | Sq.m | 150 | 250 | 50 | 50 | 50 |