

Part D

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

29. Confident Builders Ltd started a contract on 1st January 2010, the price being 25,00,000. Following is the Trial balance of the company as on 31st December 2010.

	Debit balances	Credit balances
Share capital (shares of 10 each)		5,00,000
Land and buildings	2,00,000	
Contractee' s account(cash received being 90 % of work certified)		11,25,000
Bank balance	15,000	
Creditors		10,000
Contract account:		
Materials	5,50,000	
Labour	6,00,000	
Direct expenses	55,000	
Overhead charges	40,000	
Plant	1,75,000	
	16,35,000	16,35,000

On 31st December 2010, the cost of work done but not certified was 82,500. Plant is valued at 1, 27,500 and unused materials at site are valued at 52,500. Materials of the cost of 7,500 were lost by fire at site. Prepare contract account and the balance sheet as on 31st December 2010

30. Product X passes through three processes A, B and C. In each process 2 % of total input is lost and 10% is scrap. The scrap is sold at 50 per kg in process A and B and 10 per kg in process C. The details of three processes are given below:

	A	B	C
Passed to next process	75%	50%	-
Sent to warehouse	25%	50%	100%
Expenses:			
Raw materials (Rs)	60,000	14,000	50,000
Raw materials (kg)	1,000	140	1,348
Direct wages	10,250	9,260	8,000
General expenses	5,150	3,620	1,500

Prepare process accounts and ascertain cost per kg of each process.

31. Explain different methods and techniques of costing.

(2 x 15 = 30 Marks)

(4)

16U448

(Pages: 4)

Name:

Reg. No.....

FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2019

(Regular/Supplementary/Improvement)

(CUCBCSS-UG)

CC15U BC4 B05 / CC16U BC4 B05 / CC17U BC4 B05 - COST ACCOUNTING

(Core Course)

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Part A

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

- A. Choose the correct answer:

- Textile industry may adopt:
 - Operating costing
 - contract costing
 - job costing
 - process costing
- Salary paid to factory manager is an item of
 - Prime cost
 - factory overhead
 - selling overhead
 - office overhead
- Materials issued are priced at the latest purchase in
 - NIFO
 - LIFO
 - HIFO
 - FIFO
- Wage sheet is prepared by:
 - Time keeping department
 - personnel department
 - payroll department
 - none of these.
- Operating costing is used by :
 - Manufacturing companies
 - service companies
 - job order industry.
 - none of these.

- B. Fill in the blanks:

- Cost of sales minus selling and distribution overhead is -----
- Cost of ----- loss is not borne by good units.
- If profit is 20% on selling price, it would be ----- % on cost price.
- system of wage payment is suitable where quality of work is more important than quantity.
- Total of direct costs is known as -----

(10 x 1 = 10 Marks)

Part B

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

- Define cost centre.
- What is abnormal gain?
- Define idle time.
- What is group bonus scheme?
- What is machine hour rate?

(1)

Turn Over

- 16. What is job costing?
- 17. What is retention money?
- 18. What is master budget?
- 19. Define sunk cost.
- 20. Find out EOQ from the following particulars:

Annual usage	-	6,000 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.

(8 x 2 = 16 Marks)

Part C

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

- 21. What are the objectives of cost accounting?
- 22. What are various elements of cost?
- 23. Explain the difference between job costing and process costing.
- 24. Mr.Karthik owns a fleet of taxis and the following information is available from the records maintained by him.

Number of taxis	-	10
Cost of each taxi	-	4, 46,000
Salary of manager	-	5,000 per month
Salary of accountant	-	3,000 per month
Salary of cleaner	-	2,000 per month.
Salary of mechanic	-	3,000 per month
Garage rent	-	1,000 per month.
Annual tax	-	1992per taxi
Driver's salary	-	3,500 per taxi
Annual repairs	-	3,600 per taxi

Total life of a taxi is about 2, 00,000kms. A taxi runs in all 3,000 kms in a month and 30 % of the distance has to be run without any passenger. Diesel consumption is 1 litre for every 15km@RS.22/- litre. Oil and other sundriesare10.50 //100kms. Calculate cost of running a taxi.

- 25. Calculate the normal and overtime wages payable to a workman:

Days	Hours worked
Monday	8
Tuesday	10
Wednesday	9
Thursday	11
Friday	9
Saturday	4

Normal working hours- 8 hours per day. Normal rate – Rs. 0.50 per hour

Overtime rate: up to 9 hours in a day at single rate and over 9 hours in a day at double rate or up to 48 hours in a week at single rate and over 48 hours at double rate, whichever is more beneficial to the workman.

- 26. Prepare stores ledger from the following transactions adopting the weighted average method of pricing issues. At the end of each month all material are valued at the cost of last delivery.
2016 August 1 - opening balance – 50 units @3 per unit
5 - Issued out to production: 2units
7 - Purchased 48 units @ 4 per unit
9 - Issued out 20 units to production
19 - purchased 76 units @3per unit
24 - Received back in to stores 19 units out of 20 units issued on 9th August, 2016
27- Issued to production 10 units

- 27. A machine costing Rs 20,000 is expected to run for 10years at the end of which its scrap value is estimated to be Rs.2, 000. Installation charges are Rs.200, Repair for 10 years life is estimated to be Rs1,800 and the machine is expected to run for 2,190 hours in a year. Its power consumption would be 15units per hour at Rs. 5 per 100 units. The machine occupies ¼th of the area of the department and has two points out of total ten for lighting.

The foreman has to devote about 1/3 of his time to this machine. The rent for this department is Rs. 300 p.m and charges for lighting Rs. 80 p.m The foreman is paid a salary of Rs.960 p.m. Find out hourly rate, assuming insurance is @ 1% p.a and expenses on lubrication are Rs.9 per month. Compute machine hour rate.

- 28. The following figures relate to the costing of a manufacturer of electric fans for a period of 3 months ending 31st March 2005.

	Rs
Completed stock on 1 st January 2005	Nil
Completed stock on 31 st March 2005	25,000
Stock of raw materials on 1 st January 2005	6,500
Stock of raw materials on 31 st march 2005	8,500
Factory wages	84,000
Indirect charges	15,000
Purchase of materials	36,000
Sales	1, 20,000

The number of fans manufactured during the 3 months was 3,000. Prepare a statement showing the cost per fan and the price to be quoted for 800 fans to realize the same percentage of profit as was realized during the three months.

(6 x 4 = 24 Marks)