## 18U374

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Name:
Reg. No. $\qquad$
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THIRD SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOVEMBER 2019
(Regular/Supplementary/Improvement)
(CUCBCSS-UG)
CC17U BCP3 B03 - COST ACCOUNTING
(B.Com. Professional - Core)
(2017 Admission onwards)
Maximum: 80 Marks

## PART A

Answer all questions. Each one carries 1 mark.
I. Choose the correct answer:

1. The units of output in relation to which cost incurred by a cost Centre is called
a. Cost unit
b. Production units
c. Process unit
d. Accounting unit
2. Purchase requisition is prepared by
a. Purchase manage
b. Stores manager
c. Production manager
d. Accounts manager
3. The level of stock availability when a new order should be raised is known as a. Stock level b. Re order level c. Replacement level d. buffer level
4. A process whereby all stock items are physically counted and then valued in
a. Bincard system
b. Continuous stock taking system
c. Periodic stock taking system
d. Perpetual inventory system
5. Which method does not guarantee wages on time basis?
a. Halsey
b. Rowan
c. Piece rate system d. Production bonus
II. Fill in the blanks
6. Abnormal loss of materials are charged to $\qquad$ -
7. The inefficient worker is penalized by paying him low piece rate in $\qquad$
8. Another name for direct expenses is $\qquad$ -
9. Variable cost changes $\qquad$ with change in output
10. Casual workers are usually $\qquad$ workers.

## PART B

Answer eight questions. Each question carries 2 marks.
11. What is direct material?
2. What is time keeping?
13. Give the meaning of labor turnover?
14. Explain differential piece rate system?
15. What is EOQ?
17. Define marginal cost.
18. What is fixed over heads?
19. Define costing
( $8 \times 2=16$ Marks)

## PART C

Answer any six questions. Each question carries 4 marks.
20. Distinguish between bincard and stores ledger.

1. Explain
(a) wastage
(b) scrap
(c) spoilage
(d) defectives
2. What are the benefits of integrated accounting system?
3. What are the causes for labor turnover?
4. Prepare stores ledger account from the following particulars by FIFO method?

2010, Jan 1. Balance 600 units @ `50 per unit Jan 3. Issues 300 units Jan 10 Purchased 400 units @` 52 per unit
Jan 15. Issues 360 units
Jan 20. Purchases 640 units @ ` 60 per units
Jan 30. Issues 220 units
25. Material A is used as follows

| Minimum usage | 1000 units per week |
| :--- | :--- |
| Maximum usage | 3000 units per week |
| Normal usage | 2000 units per week |
| Ordering quantities | 3200 units |
| Delivery period 6-8 weeks |  |

Calculate (a) maximum level (b) minimum level (c) reordering level
26. Calculate the earnings of a worker from the following information

Standard time 60 hours
Time taken 40 hours
Hourly rate of wages is `2 per hour plus dearness allowance @` 1 per hours worked.
27. Calculate machine hour rate from the following

| Cost of the machines | 38400 |
| :--- | ---: |
| Estimated scrap value | 2400 |
| Average repair charges per month | 300 |

Average repair charges per month 300
Standing charges allocated to machine per months ` 100
Effective working life of the machine 20000 hours
Running time per month 322 hours, power used by machine 10 units per hour @ 38 paise per unit.

## PART D

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\text { Answer any two questions. Each one carries } 15 \text { marks. }
$$

28. Distinguish between financial accounting and cost accounting.
29. The excel company is divided into four department. A, B, C are production departments and D is a service department. The actual cost for a period is as follows

\begin{tabular}{|l|c|l|c|}
\hline \& ` \& \& ’ <br>
\hline Rent \& 2000 \& supervision \& 3000 <br>

\hline Repairs to plant \& 1200 \& | Fire insurance in |
| :--- |
| respect of stock | \& 1000 <br>

\hline Depreciation of plant \& 900 \& power \& 1800 <br>
\hline Employers liability for insurance \& 300 \& light \& 240 <br>
\hline
\end{tabular}

The following information is available in respect of the four departments.

|  | A | B | C | D |
| :--- | :---: | :---: | :---: | :---: |
| Area sq. metres | 3000 | 2200 | 1800 | 1000 |
| No. of employees | 40 | 30 | 20 | 10 |
| Total wages | 6000 | 4000 | 3000 | 2000 |
| Value of plant | 24000 | 18000 | 12000 | 6000 |
| Value of stock | 15000 | 9000 | 6000 | ----- |
| HP of plant | 24 | 18 | 12 | 6 |

Apportion the cost to the various departments on the most equitable basis.
30. M/s Captain Ltd showed a net loss of `208000 as per their financial accounts for the year ended \(31^{\text {st }}\) March 2016. The cost of accounts however, disclosed a net loss of` 164000 for the same period. The following information was revealed as a result of the scrutiny of both the sets of books.

1. Factory overhead under recovered ` 3000
2. Administration over head over recovered ` 2000
3. Depreciation charged in financial books ` 60000
4. Depreciation recovered in cost accounts ` 65000
5. Interest on investments not included in cost accounts ` 10000
6. Income tax provided ` 60000
7. Transfer fee (in financial books) 1000
8. Stores adjustment (credit in financial books) 1000

Prepare reconciliation statement.
( $2 \times 15=30$ Marks)

