30. A company has three production departments and two service departments. Overhead distribution summary showed the following figures:
Production departments:
A
Rs. 28,000
B
Rs. 24,000
C
Rs. 31,000

Service departments:
X
Rs. 8,000
Y
Rs. 12,000

The costs of service departments are charged out on a percentage basis as follows:

|  | A | B | C | X | Y |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Dept X | $20 \%$ | $30 \%$ | $40 \%$ | - | $10 \%$ |
| Dept Y | $40 \%$ | $20 \%$ | $20 \%$ | $20 \%$ | - |

Apportion the cost of service departments to the production departments using simultaneous equation method.
31. Explain the advantages and disadvantages of cost accounting.

## 20U450S

(Pages: 4)
Name: .
Reg. No: $\qquad$
FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2022 (CUCBCSS-UG)

## CC17U BC4 B05-COST ACCOUNTING

(Commerce - Core Course)
(2017, 2018 Admissions - Supplementary/Improvement)
Maximum: 80 Marks

## Part-I

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

1. The main purpose of cost accounting is to
a. maximise profits
b. help in inventory valuation
c. help management in decision making
d. help in fixation of selling price
2. The total of indirect costs is known as --
a. prime cost
b. factory cost
c. overheads
d. indirect expenses
3. Which of the following is an accounting record?
a. bin card
b. bill of materials
c. stores ledger
d. All of these
4. Percentage of bonus under Halsey scheme is $\qquad$
c. $66^{2} / 3 \%$
d. $33{ }^{2 / 3} \%$
b. $50 \%$
a. $33 \frac{1}{3} \%$
nown as
c. $66^{2 / 3}$
c. Service costing
d. Process costing

Fill in the blanks:
6. Work certified is always valued at $\qquad$
7. In process costing, Abnormal Gain account is closed by transferring to $\qquad$ - account.
8. In operating costing, the cost per unit calculated by preparing ------------
9. Budgetary control is a system of control using -----------
10. In standard costing, ------------ serves as the yardstick against which the actual costs are compared.

## Part-II

Answer any eight questions in two or three sentences. Each question carries 2 marks.
11. Define cost accounting.
12. What is marginal cost?
13. What is perpetual inventory system?
14. What is material turnover ratio?
16. What is time keeping?
17. What is idle time?
18. What is a budget?
19. What is retention money?
20. What is abnormal process loss?

## ( $8 \times 2=16$ Marks )

## Part-III

Answer any six questions. Each question carries 4 marks.
21. What are the differences between cost accounting and financial accounting?
22. Differentiate between allocation and absorption of overheads.
23. Explain the essentials of a successful budgetary control system.
24. From the following information, calculate reorder level, minimum level, maximum level, average level and danger level.

Normal consumption
Minimum consumption
Maximum consumption
Reorder quantity
Reorder period
Emergency delivery period
25. Compute machine hour rate from the following:

| Cost of machine | Rs. $2,00,000$ |
| :--- | :--- |
| Installation charges | Rs. 20,000 |
| Estimated scrap value | Rs. 10,000 |
| Estimated life in years | 15 |
| Rent and rates per month | Rs. 2,000 |
| Lighting charges per month | Rs. 600 |
| Insurance per annum | Rs. 960 |
| Repair charges per annum | Rs. 2,000 |
| Supervisor's salary per month | Rs. 3,000 |
| Power consumption | 10 units per hour @ Rs. 150 per 100 units |
| Estimated working hours | 2,200 per annum including set up time of 200 hours |
| The machine occupies $1 / 4^{\text {th }}$ of the space in the workshop and the supervisor devotes $1 / 5^{\text {th }}$ of |  |
| his time for the machine. |  |

100 units per week
50 units per week
150 units per week
400 units
6 to 8 weeks
3 weeks
s. 2,00,000

20,000

15

Rs. 600

Rs. 2000
Rs. 3,000
10 units per hour @ Rs. 150 per 100 units
2,200 per annum including set up time of 200 hours his time for the machine
26. Calculate the total earnings of three workers A, B and C under Halsey Plan and Rowan Plan Standard time 20 hours

Time rate
Rs. 20 per hour
Time taken by A 16 hours, by B 10 hours and by C 8 hours.
27. Following was the expenditure on a contract for Rs. 6,00,000 commenced in January.

## Rs.

| Materials | $1,20,000$ |
| :--- | :--- |
| Wages | $1,64,000$ |
| Plant | 20,000 |
| Overheads | 8,500 |

Cash received on account of the contract up to $31^{\text {st }}$ December was Rs. 2, 40,000 being $80 \%$ of the work certified. Work uncertified amounted to Rs. 6,000. The value of materials in hand was Rs. 4,000. The plant has undergone $20 \%$ of depreciation. Prepare Contract account.
28. Prepare Process account from the following information:

| Materials issued | 1000 units @ Rs. 150 per unit |
| :--- | :--- |
| Wages | Rs. 30,000 |
| Overheads | Rs. 10,000 |
| Normal loss | $5 \%$ of input |
| Actual output | 900 units |

( $6 \times 4=24$ Marks $)$

## Part-IV

Answer any two questions. Each question carries 15 marks.
29. A product is obtained after it passes through three distinct processes. Following particulars relate to the processes:

|  | Total | Process 1 | Process 2 | Process 3 |
| :--- | :--- | :---: | :---: | :---: |
| Material (Rs.) | 33,000 | 10,400 | 7,900 | 15,400 |
| Direct wages (Rs.) | 36,000 | 8,000 | 12,000 | 16,000 |
| Production overheads (Rs.) | 30,000 |  |  |  |
| Actual output (in units) |  | 950 | 840 | 750 |
| Normal loss | $5 \%$ | $7 \%$ | $10 \%$ |  |
| Scrap value per unit (Rs.) |  | 7 | 10 | 16 |

1000 units @Rs. 14 per unit were introduced into Process 1. Production overhead is to be distributed as $100 \%$ on direct wages

Prepare Process Accounts, Normal Loss Account and Abnormal Loss/ Gain Account

