

31. A factory has 3 production departments - P₁, P₂, P₃ and one service department S. The following overheads and other information are extracted from the books for the month of January 2016.

<u>Expenses</u>	<u>Amount (Rs)</u>
Rent	6000
Repair	3600
Depreciation	2700
Lighting	600
Super vision	9000
Fire insurance for stock	3000
ESI Contribution	900
Power	5400

Particulars	P₁	P₂	P₃	S
Area sq. ft	400	300	270	150
No. of workers	54	48	36	24
wages	18000	15000	12000	9000
Value of plant	72000	54000	48000	6000
Stock value	45000	27000	18000	-----
HP (Horse power)	600	400	300	150

Allocate or apportion the overheads among the various departments suitable basis.

(2 x 15 = 30 Marks)

(4)

17U370

(Pages: 4)

Name:

Reg. No.....

THIRD SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOVEMBER 2018

(CUCBCSS-UG)

CC17U BCP3 B03 – COST ACCOUNTING

(2017 Admission Regular)

Time: Three Hours

Maximum: 80 Marks

PART A

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

Choose the correct answer:

- Period cost means
a) variable cost b) fixed cost c) Prime cost d) indirect cost
- Materials are issued at pre-determined prices in
a) re placement method b) actual cost method
c) standard cost method d) market price method
- Recording of time spent by a worker on different job is called
a) time keeping b) time booking
c) job card keeping d) job order costing
- The difference between hours paid and hours worked is called:
a) Normal time b) Time saved c) Usage time d) idle time
- If the overheads absorbed are higher than the actual overheads incurred, the situation is called
a) over absorption b) under absorption c) Over recovery d) under recovery

Fill in the blanks:

- Administration overheads are usually absorbed as a percentage of -----
- Continuous stock taking is a part of -----
- The cost which does not involve actual cash outlay is called -----
- Bin card is a record of ----- only
- Two types of idle time are -----

(10 x 1 = 10 Marks)

PART B

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

- What is a direct expense?
- What is time booking?

(1)

Turn Over

- 13. What is overhead?
- 14. What is time wage system?
- 15. Give the meaning of 'ABC' analysis?
- 16. What is stores ledger?
- 17. Define Opportunity cost?
- 18. What are variable overheads?
- 19. Define cost unit.
- 20. What is inventory turnover?

(8 x 2 = 16 Marks)

PART C

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

- 21. Explain shortly the purchase procedure.
- 22. What are the pre requisites for integration of accounts?
- 23. What are the methods of absorption of overheads?
- 24. What are the essentials of a good cost accounting system?
- 25. Prepare cost sheet of the Job No: 385 from the following information:-

Materials issued	12000
Wages	9200
Direct expenses	1000

Works overheads are estimated @ 60% of wages, office overheads are estimated @ 12 ½ % of works cost.

- 26. A lorry load of material of mixed goods was purchased for Rs. 200000 later on these were sorted out into the following categories
 - Category X , 2000 units, selling price Rs 40 per unit
 - Category Y, 4000 units, selling price Rs 45 per unit
 - Category Z , 4800 Units, selling price Rs 50 per unit
 Find the purchase rate per unit of each category of the materials assuming that all grades yields same rate of profit.

- 27. Calculate total wages earned by a work man for a working day of 8 hours under

a) Halsey plan	b) Rowan plan
Standard production per hour	- 40 units
Actual production of the day	- 400 units
Wages rate per hour	- Rs. 60

(2)

- 28. From the following information relating to a machine, calculate machine hour rate.

Cost of the machine	-	Rs. 180000
Scrap value	-	'zero'
Installation charge of machine	-	Rs. 20000

Life of the machine 10 years of 4000 working hours per year

Repair charges 50% of depreciation

Machine consumes 20 units of power per hour @20paise per unit

Oil expense Rs. 4 per day of 8 hours consumable stores @20 per day of eight hours.

The operators are engaged on the machine @ Rs 8per day of 8 hours.

(6 x 4 = 24 Marks)

PART D

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

- 29. Define cost accounting. What are its objectives and advantages?
- 30. The net profit of a manufacturing company appeared at Rs 129000 as per financial records for the year ended 31/12/2016.

The cost books showed a net profit of Rs 172920 for the same period. A careful scrutiny of the figures from both the sets of accounts revealed the following facts:-

	Rs
Income tax provided in financial books	40000
Bank interest (Cr) in financial books	500
Works overhead under recovered	3100
Depreciation charged in financial books	11200
Depreciation recovered in cost accounts	12000
Administration overheads over recovered	1700
Loss due to obsolescence charged in financial records	5600
Interest on investments not included in cost accounts	8000
Stores ledger (Credit in financial books)	480
Loss due to depreciation in stock value	6700

Prepare a reconciliation statement.

(3)

Turn Over