

30. Following figures are available in respect of Asok Engineering company for the year ended 31/3/2019.

	Financial accounts	Cost accounts
Opening stock:		
Raw material	6,000	5,000
Work-in-progress	7,000	6,500
Finished stock	5,000	4,500
Closing stock:		
Raw material	4,000	4,300
Work-in-progress	3,000	3,700
Finished stock	5,900	6,200
Purchases	40,000	
Direct wages	20,000	
Factory expenses	20,000	21,000 absorbed
Sales	1,10,000	
Administrative expenses	3,000	2,300 absorbed
Selling expenses	4,000	4,500 absorbed
Financial expenses	1,000	
Interest and dividends received	1,600	

Compute profit in financial accounts as well as in cost accounts and prepare a reconciliation statement. Show clearly the reasons for the variation of the two profit figures.

31. A company has three production departments and two service departments and for a period the departmental distribution summary has the following totals:

Production departments	: P1- Rs.800; P2- Rs 700 and P3- Rs.500	-- Rs. 2000
Service Departments	: S1 - RS 234 and S2- Rs.300	-- <u>Rs. 534</u>
		Rs. 2,534

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

	P1	P2	P3	S1	S2
Service department S1	20%	40%	30%	___	10%
Service department S2	40%	20%	20%	20%	___

Prepare a statement showing the apportionment of two service departments expenses to Production Departments by Simultaneous Equation Method.

(2 × 15 = 30 Marks)

20U358

(Pages: 4)

Name:

Reg. No:

THIRD SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOVEMBER 2021

(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.

A. Choose the correct answer from the brackets.

- In ----- ledger, an account is maintained for each job
a) General b) work-in-progress c) cost d) finished goods
- The value of closing stock approximate to the market value under
a) FIFO b) LIFO c) HIFO d) NIFO
- A cost which does not involve any actual cash outlay is known by the name:
a) Sunk cost b) Notional cost c) Out of pocket cost d) Opportunity cost
- Drawing office salary is an item of ----- overhead
a) Administration b) Selling c) Factory d) Distribution
- Which one of the following is concerned with Pareto's law?
a) ABC b) VED c) FSND d) JIT

B. Fill in the blanks.

- Costing is a technique of -----
- Time taken for a job is -----
- Cost accounting deals partly with facts and figures and partly with -----
- Stores ledger is maintained in the ----- department.
- Under ----- method, a new issue price is determined after each purchase.

(10 × 1 = 10 Marks)

PART B

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

- Distinguish between bin card and stores ledger.
- Find out EOQ from the following
Annual usage Rs. 1,20,000, cost of placing and receiving one order Rs. 60. Annual carrying cost 10% of inventory value.
- What are the main objectives of cost accounting?
- What do you mean by ABC analysis?
- What are the causes of labour turnover?

(1)

Turn Over

16. Pass journal entries in the cost books (non integrated system) for the following transactions:
- (i) Materials worth Rs.25,000 returned to the stores from job.
 - (ii) Gross total wages paid Rs.48,000. Employers contribution to PF and state insurance amounts to Rs. 2,000. Wage analysis book detailed Rs. 20,000 towards direct labour, Rs. 12,000 towards indirect factory labour, Rs. 10,000 towards salaries etc., to office staff and Rs. 8,000 for salaries etc. to selling and distribution staff.
17. What do you mean by composite machine hour rate?
18. What is the basic idea behind Taylors Differential piece rate system?
19. Distinguish between Halsey and Rowan plan?
20. What is meant by absorption of overheads?

(8 × 2 = 16 Marks)

PART C

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

21. Explain purchase procedure briefly.
22. What do you mean by perpetual inventory system?
23. Define control accounts. Give the objectives of preparing such accounts.
24. ABC Ltd. Manufactures a product, which requires LED. The following particulars were collected for the year 2018-2019
- | | | |
|--------------------------|---|--------------------|
| Monthly demand of LED | - | 7,500 units |
| Cost of placing an order | - | Rs. 500 |
| Re-order period | - | 5 to 8 weeks |
| Cost per unit | - | Rs. 60 |
| Carrying cost % p.a. | - | 10% |
| Normal usage | - | 500 units per week |
| Minimum usage | - | 250 units per week |
| Maximum usage | - | 750 units per week |
- Required:
- (i) Re-order quantity
 - (ii) Re-order level
 - (iii) Minimum stock level
 - (iv) Maximum stock level
 - (v) Average stock level
25. Calculate the earnings of A and B under straight piece rate basis and Taylors Differential piece rate system, from the following information
- | | | |
|---------------------|---|------------------|
| Standard production | - | 7 units per hour |
| Factory day | - | 8 hours |
| Normal time rate | - | Rs.2.80 per hour |
- Differentials to be applied: 80% of piece rate below standard and 120% of piece rate above standard.
- Mr. A produces 50 units a day
- Mr. B produces 60 units a day

26. Following particulars have been extracted in respect of material X. Prepare stores ledger account under weighted average method.
- Receipts: January 2. Purchased 500 kg. at Rs. 4 per kg.
 " 12. Purchased 900 kg. at Rs. 4.30 per kg.
 23. Purchased 600 kg. at Rs. 4.20 per kg.
- Issues: January 5 Issued 400 kg
 16 Issued 600 kg
 25 Issued 500 kg
 30 Issued 200 kg.

27. Classify overheads on the basis of functions?
28. From the following data for the year ended 31st March 2019, calculate Inventory Turnover Ratios and comment them.

	Material X	Material Y
Opening stock	40,000	36,000
Purchases during the year	2,08,000	1,08,000
Closing stock	24,000	48,000

(6 × 4 = 24 Marks)

PART D

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

29. From the information given below, calculate machine hour rate for the Machine No. 30 assuming that (i) when setting time is productive
- | | |
|--------------------------------------|-----------------------------------|
| Cost of machine | Rs. 12,00,000 |
| Estimated scrap value | Rs.50,000 |
| Estimated working life | 16,000 hours |
| Time required for maintenance | 250 hours |
| Productive working hours | 2200 hours per year |
| Setting-up time | 5% |
| Cost of repair | Rs.1,60,000 per year |
| No. of operators after 2 Machines | 2 persons |
| Wages of operator | Rs.20,000 per month |
| Chemicals required | Rs 12,500 per month |
| Overheads chargeable to this machine | Rs.22,500 per month |
| Insurance premium | 1% per year |
| Power | 20 units per hour @5.00 per unit. |

(3)

Turn Over