

31. Compute MHR from the following data.

|   |   |   |
|---|---|---|
| Cost of machine                                     | : | Rs.2,00,000   |
| Installation charges                                | : | Rs.20,000   |
| Estimated scrap value after life time<br>(15 years) | : | Rs.10,000   |
| Rent and rates per month                            | : | Rs.2,000  |
| Lighting charges per month                          | : | Rs.600  |
| Repair charges per annum                            | : | Rs.2,000  |
| Insurance per annum                                 | : | Rs.960  |
| Supervisor's salary per month                       | : | Rs.3,000  |
| Power consumption                                   | : | 10 units per hour@Rs.150 per 100 units                      |
| Estimated working hours                             | : | 2200 per annum<br>(this includes setting time of 200 hours) |

The machine occupies 1/4<sup>th</sup> of the space in the workshop and the supervisor devotes 1/5<sup>th</sup> of his time for the machine.

**(2 × 15 = 30 Marks)**

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(4)

**19U450S**

(Pages: 4)

Name: .....

Reg. No.....

**FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2021**

(CUCBCSS-UG)

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

(Core Course)

(2015 to 2018 Admission – Supplementary/Improvement)

Time: Three Hours

Maximum: 80 Marks

**Section A**

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

A. Fill in the blanks

1. \_\_\_\_\_ costing is suitable for industries like toys, garments, pharmaceuticals etc.
2. \_\_\_\_\_ cost is the value of benefit sacrificed.
3. Bin card is maintained by \_\_\_\_\_
4. When price is falling \_\_\_\_\_ method of pricing material issue pricing is suitable
5. Under Merrick's multiple piece rate system, ordinary rate is allowed up to \_\_\_\_\_ % of efficiency

B. Choose the correct answer from the choices.

6. \_\_\_\_\_ are also known as "On cost"  
a) Sunk Cost      b) Direct Cost      c) Over head      d) opportunity cost
7. No profit is credited to P & L account, if the work is certified is:  
a) Less than 25% of contract price      b) Less than 50% of contract price  
c) Less than 10% of Contract price      d) Less than 20% of contract price
8. Cost of normal process loss is adjusted by:  
a) Cost of product      b) Costing P&L a/c      c) both a) and b)      d) none of these
9. Which of the following method is used to control the usage of spare parts?  
a) ABC analysis      b) JIT      c) VED analysis      d) all of these
10. Which of the following is not a functional budget?  
a) Production Budget      b) Sales Budget      c) Flexible budget      d) Cash budget

**(10 × 1 = 10 Marks)**

**Section B**

Answer any *eight* questions in two or three sentences. Each question carries 2 marks.

11. Define Direct costing.
12. What is by-product?
13. What is escalation clause?

(1)

**Turn Over**

- 14. Differentiate time booking and time keeping.
- 15. What is Two-Bin system?
- 16. What is Job Card?
- 17. What is Standard Costing?
- 18. What do you mean JIT?
- 19. What is Goods Received Note (GRN)?
- 20. Differentiate between cost Centre and Cost unit.

(8 × 2 = 16 Marks)

**Section - C**

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

- 21. State the differences between financial accounting and cost accounting.
- 22. What are various methods of time keeping?
- 23. Distinguish between allocation and absorption of overhead
- 24. Prepare a stores ledger account using LIFO method:

|            |               |                          |
|------------|---------------|--------------------------|
| 01-03-2020 | Opening stock | 220 units @ Rs. 90 each  |
| 06-03-2020 | Purchased     | 540 units @ Rs.91 each   |
| 08-03-2020 | Issued        | 280 units                |
| 10-03-2020 | Purchased     | 180 units @ Rs. 89 each  |
| 16-03-2020 | Issued        | 160 units                |
| 19-03-2020 | Purchased     | 340 units @ Rs. 102 each |
| 28-03-2020 | Issued        | 200 units                |

- 25. Rate per hour- Rs.3 per hour  
Time allowed for a job- 20 hours  
Time taken-15 hours  
Calculate total earning of the worker under Halsey and Rowan plan.
- 26. A company has three production departments A, B and C and two service departments X and Y. The expenses incurred in these departments on 31/12/2019 were as follows.  
A: Rs.52,000 B: Rs.47,000 C: Rs.41,500 X: Rs. 18,000 Y : Rs.22,000  
The company decided to apportion the service department costs on the following percentages:

| Department | A   | B   | C   | X     | Y     |
|------------|-----|-----|-----|-------|-------|
| X          | 35% | 25% | 30% | ----- | 10%   |
| Y          | 40% | 30% | 10% | 20%   | ----- |

Find the total overhead of production departments under simultaneous equation method.

- 27. The following was the expenditure on a contract for Rs.6,00,000 commenced on February 2019; material Rs.1,20,000; wages Rs. 1,64,000; plant Rs.20,000 ; business charges Rs.8,600. Cash received on account up to 31-12-2019 amounted to Rs. 2,40,000 being 80% of work certified: the value of material in hand on 31<sup>st</sup> December was Rs.10,000. Prepare contract account showing the position at the end of the year and the proportion of profit which might reasonably be taken to P& L a/c after 10% depreciation on Plant.

- 28. Calculate EOQ and the number of orders to be placed in a year from the following data:

|                            |   |                 |
|----------------------------|---|-----------------|
| Annual usage               | - | 20,000 units    |
| Buying cost                | - | Rs 10 per order |
| Cost per unit              | - | Rs 100          |
| Cost of carrying inventory | - | 10%             |

(6 × 4 = 24 Marks)

**Section - D**

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

- 29. A product of Pheonix Ltd. Passes through two processes such as Mixing and Shaping then to finished stock. It is ascertained that in each process normally 5% of total weight is lost and 10% is scrap from Mixing. The scrap from Mixing and Shaping process realizes Rs.80 per tonne and Rs.200 per tonne respectively. The following are the figures relating to both the processes:

|                            | Mixing    | Shaping    |
|----------------------------|-----------|------------|
| Materials in tonnes        | 1,000     | 70         |
| Cost of material per tonne | Rs. 125   | Rs.200     |
| Wages                      | Rs.28,000 | Rs. 10,000 |
| Manufacturing Expense      | Rs.8,000  | Rs.5,250   |
| Output in tonnes           | 830       | 780        |

Prepare the process cost accounts showing the cost per tonne of each process. There was no stock or work in progress in any process.

- 30. Briefly explain the following:
  - a. Essentials of an Ideal wage payment system
  - b. Fixed and flexible budget
  - c. Behavioral classification of cost.