

**B.COM DEGREE (CBCS) EXAMINATION, JULY 2021****Fifth Semester****CORE COURSE - CO5CRT14 - COST ACCOUNTING - 1**

Common for B.Com Model I Finance & Taxation, B.Com Model I Co-operation, B.Com Model I Computer Applications, B.Com Model I Marketing, B.Com Model I Travel & Tourism, B.Com Model II Computer Applications, B.Com Model II Finance & Taxation, B.Com Model II Logistic Management, B.Com Model II Marketing, B.Com Model II Travel & Tourism, B.Com Model III Computer Applications, B.Com Model III Office Management & Secretarial Practice, B.Com Model III Taxation, B.Com Model III Travel & Tourism

For Regular Candidates 2018 Admission Only,

For Private Candidates 2017 & 2018 Admissions Only

C7CCD216

Time: 3 Hours

Max. Marks : 80

Instructions to Private candidates only: This question paper contains **two sections**. Answer **SECTION I** questions in the answer-book provided. **SECTION II**. Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II**

SECTION I**Part A**

Answer any **ten** questions.

Each question carries **2** marks.

1. Define Costing.
2. What are indirect Costs? Give two examples.
3. What is Multiple costing?
4. Calculate the Re-ordering level of material A from the following particulars :
(1) Minimum limit 500 units (2) Maximum limit 2500 units (3) Daily requirement of material 100 units (4) Time required for fresh delivery 10 days
5. What is spoilage ?
6. State any two demerits of LIFO method.
7. What is Time Booking?
8. What is Incentive wage plan?
9. Explain objectives of costing of overhead?

10. What is Blanket rate?
11. Calculate wages due to a worker from the following data.
 Normal hours in a week - 44 hours
 Actual booked hours - 50 hours
 Rate per hour :
 Normal 12.5
 Overtime, 200% of Normal rate
12. What are selling and distribution overheads?

(10×2=20)

Part B

Answer any **six** questions.

Each question carries 5 marks.

13. What is cost control? How can you effect cost control?
14. The following are the estimated cost of producing 20,000 units. Raw materials - Rs.1,00,000; Direct Wages - Rs.75,000; Direct expense - Rs.25,000; Machine Hours worked 1000 hours. Machine hour rate - Rs. 10. Office overhead - 20% of works cost. Calculate Cost per unit.
15. Explain the suitability of Piece wage system.
16. Calculate normal, overtime and total wages payable to a worker from the particulars given below-
- | Days | Hours worked |
|----------------------|------------------------------------------------------------------------------|
| Monday | 10 |
| Tuesday | 9 |
| Wednesday | 8 |
| Thursday | 12 |
| Friday | 9 |
| Saturday | 4 |
| Normal working hours | - 8 hrs per day |
| Saturday | - 4 hrs per day |
| Normal rate | - 50 per day |
| Overtime rate | - upto 9 hrs per day at single rate; and beyond 9 hours a day at double rate |
17. Explain briefly which are the various methods of reapportionment of overhead?
18. "Overhead which is common to two or more dept. or cost centres are required to be apportion among these depts. It has to be made on some equitable basis" Explain the important bases for apportionment of overhead.
19. A company's expenses for the month of June 2018 is given below

Rent – Rs12500

Insurance –Rs1050

Depreciation-- 15% of value of machinery

Power—Rs3800

Lighting– Rs1250

Additional information relating to the company:

Items	Production departments			Service departments		
	P1	P2	P3	Office	Service	workshop
Direct wages	20000	25000	30000			
Direct material	30000	35000	45000			
Indirect material	2000	3000	3000	1000	2000	2000
Indirect wages	3000	3000	4000	10000	10000	5000
Area in square metres	200	250	300	150	100	250
Value of machinery	30000	35000	25000	—	—	15000
Horse power of machines	15	20	25	—	—	5
Machine hours worked	10000	20000	15000	—	—	5000

Prepare an overhead primary distribution summary statement for the departments showing clearly the basis of apportionment where necessary

20. Prepare a cost sheet with imaginary figures.
21. How will you deal with under or over valuation of stocks in cost accounts while preparing a reconciliation statement?

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Define Cost Accounting. Compare Cost Accounting with Financial Accounting. Give advantages of Cost Accounting over Financial Accounting.
23. Following particulars relate to a manufacturing company which has three production departments A, B and C and 2 service departments X and Y.

Overhead as per primary distribution are as follows

Dept A Rs 6300

Dept B Rs 7400

Dept C Rs 2800

Dept X Rs 4500

Dept Y Rs 2000

The company decided to charge the overheads of service departments on the basis of following percentages

	A	B	C	X	Y
X	40%	30%	20%	--	10%
Y	30%	30%	20%	20%	--

Find the overheads of production departments after charging service department cost to production department by using simultaneous equation method.

24. Following are the particulars for the production of 1,20,000 toys of Hatfeels Co. Ltd. For the year 2019. Cost of Materials-Rs.2,75,000; Wages-1,50,000; Manufacturing expenses-Rs.1,15,000; Salaries-Rs.95,000; Rent & rates- Rs.45,000; Selling expense-Rs.32,000; General expense-Rs.10,000; Sales-Rs.9,00,000. The company plans to manufacture 40,000 mobile phones during 2019. You are required to submit a statement showing the price at which phones would be sold so as to show a profit of 15% on Selling price. Additional information: (a) Price of material is expected to rise by 10%. (b) Wages are expected to show an increase of 15% (c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages. (d) Selling price will increase by 5%. (e) Other expenses will remain unaffected by the rise in output.
25. Prepare the following statements: 1. A statement of cost of manufacture for the year 2019, 2. A statement of profit as per cost accounts, 3. Profit and loss account in the financial books, and 4. Statement of reconciliation. Opening stock of raw materials Rs.1,25,000; Purchase of raw materials Rs.2,75,000; Closing stock of raw materials Rs.80,000; Opening stock of finished goods Rs.75,000; Closing stock of finished goods Rs.16,000; Wages-Rs.78,000. Calculate the factory expenses at 25% on prime cost, Office expenses at 50% on factory expenses. Actual works expenses amounted to Rs.41,500 and actual office expense amounted to Rs.33,500. The selling price was fixed at a profit of 20 % on cost.

(2×15=30)