

QP CODE: 23144508



Reg No :

Name :

B.VOC DEGREE REGULAR / REAPPEARANCE EXAMINATIONS, OCTOBER 2023

Fifth Semester

B.Voc Business Accounting and Taxation

TBOC504 - COST ACCOUNTING

2018 Admission Onwards

975888D8

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

** Each question carries **2** marks.*

1. What is Material cost ?
2. What is opportunity cost ?
3. What are the Disadvantages of Process loss ?
4. Define process costing ?
5. What is Power house costing ?
6. What is Economic Batch Quantity ?
7. What do you mean by Job cost sheet ?
8. What are the advantages of job costing ?
9. What is cost audit reporting?
10. What do you mean by Cost Audit report ?
11. What is cost center ?
12. What do you mean by Work in Progress ?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. What is cost accounting and its features ?
14. The following information has been ascertained from the books of Aravind Corporation Ltd. for the month of April, 2020



Stock of raw materials on 1st April, 2014 - 9,000
Stock of raw materials on 30th April, 2014 - 12,000
Raw materials purchased in April - 64,000
Direct labour - 22,000
Direct expenses - 3,000
Factory overheads - 11,000
Administrative expenses - 6,000
Stock of finished goods on 1st April, 2014 - 18,000
Stock of finished goods on 30th April, 2014 - 22,000
Selling and distribution overheads - 7,000
Sales - 1,30,000

You are required to prepare a statement of cost and profit.

15. Bengal Chemical Co. Ltd. produced three chemicals during the month the of July, 2013 by two consecutive processes. In each process 2% of the total weight put in is lost and 10% is scrap which from processes (1) and (2) realises 100 a ton . The products of three processes are dealt with as follows: Process 1 , Process 2 Passed on to the next process 75% 50% Sent to warehouse for sale 25% 50% Material 120000(1000 tons) 28000(140 tons) Wages 20500 18520 General expenses 10300 7240
16. From the following figures, show the cost of three processes of manufacture. The production of each process is passed on to the next process immediately on completion.
PARTICULARS : PROCESS 1, PROCESS 2 ,PROCESS 3 ,
Wages and Materials : 30000 10000 20000
Works Overhead : 6000 5000 6000
Production in units : 36000 37500 48000
Stock on 1 July 2020 4000 16500 (units from preceding process)
Stock on 31 July 2020 1000 5500 (units from preceding process)
17. From the following particulars calculate the cost of Job No.505 and price for the job to give a profit of 25% on the selling price.
Material : Rs. 6820 , Wage details: Department X : 60 hrs @ Rs. 3 per hr , Y : 50 hrs @ Rs. 3 per hr , Z : 30 hrs @ Rs. 5 per hr
The variable Overheads are as follows: Department X : Rs. 5000 for 5000 hrs , Y : Rs. 4000 for 2000 hrs , Z : Rs. 2000 for 500 hrs
The total fixed expenses amounted to Rs. 20,000 for 10,000 working hours.
Calculate the cost of Job No. 505 and price for the job to give a profit of 25% on selling price
18. Explain the types of cost audit ?
19. Explain about cost audit reporting rules ?
20. The following information has been obtained from Ram Associates Ltd., for the period from 1st May, 2015 to 31st May, 2020 .
Cost of raw materials in stock in 1st May, 2015 - 30,000



Raw materials purchased during the month - 2,90,000

Direct labour paid - 40,000

Factory overheads - 24,000

Direct expenses - 6,000

Office overheads - 12,000

Stock of finished goods on 1st May, 2015 - 60,000

Stock of finished goods on 31st May, 2015 - 80,000

Stock of raw materials on 31st May, 2015 - 45,000

Selling and distribution overheads - 20,000

Sales - 4,00,000

You are required to prepare a statement showing (a) cost of goods consumed, (b) prime cost (c) works cost (d) cost of production (e) cost of goods sold (f) cost of sales (g) profit or loss.

21. From the following information prepare a Cost sheet showing

(a) The value of materials consumed

(b) The cost of production

(c) The cost of sales

(d) The Total net profit

(e) Net profit per ton

Purchase of raw materials - 2,64,000, Direct wages - 2,20,000, Carriage inward - 3,168,

Works on cost - 88,000 Stock on 1.1.2014: Raw materials - 44,000, Work-in-progress -

10,500, Finished goods (1,600 tons) - 35,200, Stock on 31.12.2014: Raw materials -

48,928, Work-in-progress - 35,200, Finished goods (3,200 tons) - 70,400 Sales -

6,60,000, Office on cost - 17,600

Selling expenses amount to 0.75 paise per ton.

25,600 tons were produced during the year.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. The accounts of ABC manufacturing company give the following information:

Factory office salaries-7500

General Office salaries-22600

Carriage outward-5300

Carriage on purchases-8150

Bad debts-7500

Repairs of plant-5450

Factory rent-7500

Office rent-3000

Sales-561100

Opening stock of raw material-72800

Closing stock of raw material-58000

Materials Purchased-285000

Travelling Expenses-3100

Travellers salaries-8700

Productive wages-226000

Depreciation on plant-7500

Depreciation on furniture-400

Directors fees-7000

Factory water and gas-2200

Office water and gas-500

Office managers salary-3500

Factory managers salary-8500

General expenses-4400

Income tax -2500

Prepare Cost sheet and find the profit:

23. A work order for 100 units of a commodity has to pass through four different machines of which the machine hour rates are: Machine P – ` 1.25, Machine Q – ` 2.50, Machine R – ` 3 and Machine S – ` 2.25 . Following expenses have been incurred on the work order – Materials ` 8,000 and Wages ` 500. Machine - P has been engaged for 200 hours. Machine - Q for 160 hours, Machine - R for 240 hours and Machine - S for 132 hours.

After the work order has been completed, materials worth ` 400 are found to be surplus and are returned to stores. Office overhead used to be 40% of works costs, but on account of all-round rise in the cost of administration, distribution and sale, there has been a 50% rise in the office overhead expenditure. Moreover, it is known that 10% of production will have to be scrapped as not being upto the specification and the sale proceeds of the scrapped output will be only 5% of the cost of sale. If the manufacturer wants to make a profit of 20% on the total cost of the work order, find out the selling price of a unit of commodity ready for sale.

24. Explain cost accounting standards ?

25. Mr. Ram runs a factory which produces caps. Following are the details available in respect of his manufacturing activities for the year ended on 31.03.2018 .

Opening work-in-progress (3,000 units) 6,000 , Closing work-in-progress (4,000 units) 8,000 , Opening stock of Raw materials 70,000 , Closing stock of Raw materials 80,000 .

Purchase of raw material 4,20,000 , Hire charges of machine@₹0.50 per unit manufactured. Rent of factory 1,50,000 , Direct wages- @₹0.70 per unit manufactured and @₹0.30 per unit of closing , W.I.P Repairs and maintenance 100,000 units produced- 2,60,000

Prepare a manufacturing Account of Mr. Ram for the year ended 31.03.2018.

(2×15=30)