

QP CODE: 24033326



Reg No : .....

Name : .....

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS, OCTOBER  
2024**

**Fifth Semester**

**CORE COURSE - CO5CRT14 - COST ACCOUNTING - 1**

Common for all B.Com Degree Programmes

2017 Admission Onwards

065947CB

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*

**Part A**

*Answer any **ten** questions.*

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

1. Define Cost.
2. State objectives of Cost Accounting.
3. Distinguish between Direct Material and Indirect Material.
4. What is a Bin Card?
5. What do you mean by scrap?
6. What is weighted average price?
7. What is Labour Turnover?
8. What are the objectives of incentive plan?
9. Distinguish between fixed and variable overhead.
10. Define cost allocation & cost apportionment.
11. What is Machine hour rate?
12. State two importance of a reconciliation statement.

(10×2=20)

**Part B**

*Answer any **six** questions.*



Each question carries 5 marks.

13. Discuss the advantages of cost control.
14. A company uses annually 50000 units of an item each costing Rs 1.20 .Each order costs Rs 45 and inventory carrying cost is 15% of the annual average inventory value.Find EOQ. If the company operates 250 days a year ,the procurement time is 10 days and safety stock is 500 units,find Re-order level,Maximum level,Minimum level,Minimum and Avearge inventory.
15. What is Idle time? What are its causes?
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. "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.
18. What are the factors to be considered while selecting a suitable method of overhead absorption?
19. K Ltd has 3 production departments A,B and C and 2 service departments D and E Following figures are extracted from the records of the company  
 Rent and rates – Rs 5000  
 Indirect wages – Rs 1500  
 Depreciation of machinery—Rs 10000  
 General lighting --- Rs 600  
 Power --- Rs1500  
 Sundries --- Rs 10000  
 Following further details are available:

	A	B	C	D	E
Floor space (sq.metres)	2000	2500	3000	2000	500
Light points	10	15	20	10	5
Direct wages	3000	2000	3000	1500	500



H P of machines	60	30	50	10	--
Value of machinery	60000	80000	100000	5000	5000

Apportion the costs to various departments on the most equitable basis by preparing a primary distribution summary.

20. What is a production Account? Prepare a production account with imaginary figures.
21. The profit disclosed by financial books and cost books were Rs.17,800 and Rs.17,000 respectively. Administrative overheads Over recovered in cost accounts-Rs.2,000; Loss due to obsolescence charged in financial accounts-Rs.6,000; Depreciation charged in financial accounts-Rs.1,600; Depreciation recovered in cost accounts-Rs.2,400; Loss due to depreciation in stock value-Rs.400; Interest on investment-Rs.8,000; Income tax paid-Rs.1,000; Bank interest received-Rs.1,000; Stores adjustment in financial books-Rs.400; Works overhead underabsorbed in cost books-Rs.4,000. Prepare reconciliation statement.

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Describe the different methods of costing and mention the industries to which they are applied.
23. The following particulars relate to a manufacturing company with 3 production departments X, Y and Z and 2 service departments S1 and S2 The following details are distributed to the departments as per primary distribution summary
- Dept X Rs18900  
 Dept Y Rs 22200  
 Dept Z Rs 8400  
 Dept S1 Rs 13500  
 Dept S2 Rs 9000
- The service dept cost are shared as follows:

	A	B	C	S1	S2
S1	40%	30%	20%	--	10%
S2	30%	30%	20%	20%	--

Find out the overhead of production departments on the basis of step ladder method.

24. From the following information, calculate total cost and sales..Materials consumed-Rs.1,25,000; Wages Rs.75,000; Works on cost-50% of direct wages; Office on cost-30% of works cost; Selling on cost-20% of works cost; Selling and distribution overhead @ 10% of sales. Opening Work in progress:Rs.15,000; Closing Work in progress:Rs.5,000; Opening finished goods:Rs.5,000; Closing finished goods Rs.10,000. The firm earns a profit of 1/5th of cost.



25. Following are the particulars for the production of 20,000 cellphones of XL Co. Ltd. For the year 2018. Cost of Materials-Rs.1,75,000; Wages-Rs.2,50,000; Manufacturing expenses-Rs.1,00,000; Salaries-Rs.1,25,000; Rent & rates- Rs.25,000; Selling expense-Rs.40,000; General expense-Rs.40,000; Sales-Rs.10,00,000. The company plans to manufacture 4,000 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 15%. (b) Wages are expected to show an increase of 10% (c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages. (d) Selling price will remain the same. (e) Other expenses will remain unaffected by the rise in output.

(2×15=30)