

QP CODE: 25007754



Reg No :

Name :

B.COM DEGREE (CBCS) SPECIAL REAPPEARANCE EXAMINATIONS, FEBRUARY 2025

Fifth Semester

CORE COURSE - CO5CRT14 - COST ACCOUNTING - 1

Common for all B.Com Degree Programmes

2022 Admission Only

D426A783

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. What are overheads?
3. What is Uniform Costing?
4. How will you treat materials returned to vendor ?
5. What are defectives ?
6. What is weighted average price?
7. Who are Out workers?
8. From the following particulars, find the amount of cash required for payment of wages in a factory for a particular month

Wages for normal hours worked	20500
Wages for overtime	2200
Leave wages	2700
Deduction of employee's share to State insurance	500
Employee's contribution to provident fund	1600
House rent is to be recovered from 30 employees at 20 per month	

9. Define overhead absorption. Why it is needed?
10. Define cost allocation & cost apportionment.
11. What is over absorption and under absorption of overhead?



12. Calculate the cost of production and cost of goods sold. Works cost-Rs.90,000; Opening stock of finished goods-Rs.30,000; Closing stock of finished goods-Rs.25,000; Office expenses-Rs.45,000.

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. Discuss the advantages of cost control.
14. What are steps involved in the material purchase procedure ?
15. What is Time booking? What are its objectives?
16. What are the merits of Halsey plan?
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. 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.

19. 1. A machine is purchased for cash at Rs. 9,200. Its working life is estimated to be 18,000 hours after which its scrap value is estimated at Rs.200. It is assumed from past experience that :
- The machine will work for 1,800 hours annually.
 - The repair charges will be Rs. 1,080 during the whole period of life of the machine.
 - The power consumption will be 5 units per hour at 6 paise per unit.
 - Other annual standing charges are estimated to be :



Rs.

1. Rent of department (machine occupies 1/5 of total space)	780
2. Light(12 points in the departments-2 points engaged in the machine)	288
3. Foreman's salary(1/4th of his time is occupied in the machine)	6,000
4. Insurance premium(fire) for machinery	36
5. Cotton waste	60

Find out machine hour rate on the basis of above data for allocation of works expenses to all jobs for which the machine is used.

20. What is a production Account? Prepare a production account 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. What are the steps in installing a costing system?
23. 1. A manufacturing Co. has two production depts. & three service depts. The departmental distribution summary showed the following expenses.

Production Depts.

Dept. X – Rs.32,000

Dept. Y – Rs. 20,000

Service Depts.

Time keeping Dept. – Rs. 16,000

Stores Dept. – Rs. 5000

Maintenance Dept. –Rs 3,000

Additional information

Base	Production Dept.		Service Dept.		
	X	Y	Time Keeping	Stores.	Maintenance.
No. of employees.	40	30	-	20	10
No. of stores requisitions	24	20	-	-	6
Machine hours	2400	1600	-	-	-



Apportion the overheads of service dept. to production dept., by using step ladder method.

24. Prepare a cost sheet from the following. Units produced-50,000; Units sold-40,000; Material consumed-Rs.50 per unit; Direct labour hours worked-2,500 hours; Hourly rate of wages-Rs.20 per hour; Factory overhead-Rs.25 per labour hour. Administration overhead-10% of works cost; Selling and distribution overhead @ 5% of sales. Opening Work in progress-Rs.8,000; Closing Work in progress-Rs.6,000; Opening finished goods-Rs.7,000; Closing finished goods Rs.11,000; Selling overhead- Rs.12 per unit sold; Profit margin-30% on sales.
25. From the following figures prepare a reconciliation statement. Net loss as per costing records-Rs.1,72,400; Over recovery of administrative overheads in cost accounts-Rs.1,700; Loss due to obsolescence charged in financial accounts-Rs.5,700; Depreciation charged in financial accounts-Rs.11,200; Depreciation recovered in cost accounts-Rs.12,500; Loss due to depreciation in stock values-Rs.200; Interest received on investment not included in cost accounts-Rs.6,000; Income tax provided in financial accounts-Rs.40,300; Bank interest credited in financial accounts-Rs.750; Stores adjustment credit in financial books-Rs.475; Depreciation of stock charged in financial accounts-Rs.6,750 Works overhead underabsorbed in cost books-Rs.3,120. Value of opening stock and closing stock in cost accounts- Rs.52,600 and Rs.52,000 respectively. Value of opening stock and closing stock in financial accounts- Rs.54,000 and Rs.49,600 respectively. Preliminary expense written off- Rs.800; Provision for doubtful debts in financial accounts-Rs.150.

(2×15=30)