

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – ACCOUNTING AND FINANCE

FIFTH SEMESTER – NOVEMBER 2022

UAF 5502 – COST ACCOUNTING

Date: 30-11-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

PART – A

Answer all the questions

(10x2=20 Marks)

1. Define Cost Accounting.
2. Calculate raw materials consumed
Raw materials purchased 80,000
Stock of material scrap 1,000
Opening stock of raw materials 12,000
Closing stock of raw materials 21,000
3. Write a note on EOQ.
4. Write a short note on spoilage.
5. Write a note on labour turnover.
6. What is differential piece rate system?
7. Define overheads.
8. What do you mean by machine hour rate?
9. Ascertain the cost of Job N0.305
Prime cost Rs. 8,000
Factory overhead 10% of prime cost
Administration overhead 20% of works cost.
10. What is process costing?

Part B

Answer ANY FOUR questions

(4x10=40 Marks)

11. A factory produces a standard product. The following information is given to you from whom you are required to prepare a cost sheet for January 1991.

Particulars	Rs
Raw material consumed	91,000
Direct wages	29,000
Other direct expenses	11,000
Factory overheads 80% of direct wages	
Office overheads 10 % of works cost	

Selling and distribution expenses Rs.2 per unit sold. Units produced and sold during the month Rs. 10,000. Also find the selling price per unit on the basis that profit mark up is uniformly made to yield a profit of 20% of the selling price. There was no stock or work-in-progress either at the beginning or at the end of the period.

12. Calculate the earnings of workers A and B under straight piece rate system and Taylor's differential piece rate system from the following particulars:

Normal rate per hour – Rs.1.80

Standard time per unit – 20 seconds

Differentials to be applied

80% of piece rate below standard

120% of piece rate at or above standard

13. Calculate a) EOQ b) maximum level c) minimum level d) reordering level from the following data:

Reorder period- 4 to 6 weeks

Maximum consumption- 100 units per week

Minimum consumption- 50 units per week

Normal consumption- 75 units per week

Annual consumption- 36000 units

Cost per unit- Re.1

Ordering cost- Rs.25

Inventory carrying cost is 20% of unit value

14. The following data are from the costing records of Samarth Industries Ltd. In respect of Job No. 76:

Materials Consumed Rs.6,000

Wages : Cutting Department 20 Hours at Rs. 40 per hour

Shearing Department 10 Hours at Rs. 40 per hour

Boring Department 5 Hours at Rs. 60 per hour

Variable overheads for the respective departments are estimated as follows:

Fixed overheads are estimated at Rs. 1,00,000 for 20,000 normal working hours.

Cutting Department Rs.40,000 for 2,000 Direct Labour Hours

Shearing Department Rs.20,000 for 2,500 Direct Labour Hours

Boring Department Rs.10,000 for 400 Direct Labour Hours

You are required to ascertain the cost of Job No.76 and calculate the price to be charged so as to give a profit of 20% on cost.

15. The following expenses were incurred on an unfinished contract during the accounting year 2010.

Rs. 2,00,000 was received from the contactee, being 80% of the work certified. Work done but not certified was Rs. 5,000. Determine the profit to be credited to profit and loss account in all the three alternatives given below:

(i) Contract Price Rs. 3,00,000

(ii) Contract Price Rs. 5,50,000

Materials – Rs. 90,000

Wages- Rs. 80,000

Other Expenses- Rs. 5,000

(iii) Contract Price Rs. 12,00,000

16. Differentiate between cost accounting and management accounting

17. Discuss the methods of apportionment of joint costs.

Part-C

Answer ANY TWO questions

(2x20=40 Marks)

18. The following extracts of costing information related to commodity "A" for the half year ending 31.12.02:

Selling and Distribution overheads are Re.1/ton sold. 16,000 tons of commodity were produced during the period.

You are to ascertain(a) cost of raw materials used (b) cost of output for the period (c) cost of sales (d) net profit for the period and (e) net profit/ton of the commodity.

Particulars	Rs.
Purchase of Raw materials	1,20,000
Works overheads	48,000
Direct wages	1,00,000
Carriage on Purchases	1,440
Stock(1 st july 2002)	
Raw materials	20,000
Finished products(1000 tons)	16,000
Stock(31 st Dec.02)	22,240
Raw materials	32,000
Finished products(2000 tons)	4,800
Work-in-progress(1 st july 02)	16,000
Work-in-progress(31 st dec. 02)	3,00,000
Sales- Finished products	

Selling and Distribution overheads are Re.1/ton sold. 16,000 tons of commodity were produced during the period.

You are to ascertain(a) cost of raw materials used (b) cost of output for the period (c) cost of sales (d) net profit for the period and (e) net profit/ton of the commodity.

19. From the following particulars work out the earnings for the week of a worker under:

- (a) Straight piece rate;
- (b) Differential piece rate;
- (c) Halsey premium system;
- (d) Rowan system;

Number of working hours per week = 48hrs;

Wages per hour = Rs.3.75;

Normal time per piece = 20minutes;

Rate per piece = Rs.1.50;

Normal output per week = 120pieces;

Actual output = 150pieces;

Differential piece rate: 80% of piece rate when output is below standard and 120% when above standard.

20. The following information is extracted from the stores ledger:

Sept 1	Opening balance	500 units @ Rs.10	Issues of materials:
6	Purchases	100 units @ Rs.11	
20	Purchases	700 units @ Rs.12	Sept 9 - 500 units
27	purchases	400 units @ Rs.13	22- 500 units
Oct 13	purchases	1000 units @ Rs.14	30 -500 units
20	purchases	500 units @ Rs.15	Oct 15- 500 units
Nov 17	purchases	400 units @ Rs.16	22- 500 units
			Nov 11- 500 units

Issues are to be priced on the principle of 'FIFO'. Write the stores ledger account.

The expenses for the period were:

21. In A Light Engg. Factory, the following particulars have been collected for the 3 months period ending 31-12-1984. You are required to prepare production overhead distribution overhead summary showing clearly the basis of apportionment where necessary.

Particulars	Production Dept.			Service Dept.	
	A	B	C	D	E
Direct wages(Rs.)	2,000	3,000	4,000	1,000	2,000
Direct material(Rs.)	1,000	2,000	2,000	1,500	1,500
Staff(Nos.)	100	150	150	50	50
Electricity(kwh)	4,000	3,000	2,000	1,000	1,000
Light Points(Nos.)	10	16	4	6	4
Asset Value(Rs.)	60,000	40,000	30,000	10,000	10,000
Area occupied(Sq.m)	150	250	50	50	50

Motive power Rs.550 ; lighting power Rs.100;Stores overheads Rs.400;Amenities to staff Rs.1500;depreciation Rs.15000;Repairs and maintenancers.3000;General overheads Rs.6000;rent &taxes Rs.275.Apportion the expenses of service departments E in proportion of 3:3:4 and those of service departments D in the ratio of 3:1:1 to the department A,B and C respectively.

#####