

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034****B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP****FIFTH SEMESTER – NOVEMBER 2022****16/17/18UBC5MC01 – COST ACCOUNTING**

Date: 21-11-2022

Dept. No. 

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

**PART – A****(10x 2 = 20 Marks)****Q. No****Answer ALL questions**

- 1 Define the term 'cost'.
- 2 What are the elements of cost?
- 3 State any two difference between Bin card and store ledger.
- 4 What is EOQ?
- 5 What is quotation?
- 6 What is contract costing?
- 7 What is machine hour rate method?
- 8 Define batch costing.
- 9 What is overtime?
- 10 What is labour turnover?

**PART – B****(4 x 10 = 40 Marks)****Answer any FOUR questions**

- 11 a Two components X and Y are used as follows  
 Minimum usages: 50 units per week each  
 Maximum usages: 150 units per week each  
 Normal usages: 100 units per week each  
 Ordering quantities: X-600 units  
                                   Y-1,000 units  
 Delivery period: X-4 to 6 weeks  
                                   : Y-2 to 4 weeks  
 Maximum reorder period for emergency purchases  
 X - 2 weeks; y-2 weeks  
 Calculate for each component:  
 (a) Reordering level  
 (b) Maximum level  
 (c) Minimum level  
 (d) Danger level

- 11 b Calculate the wage payment from the following data.

Particulars	Amount in Rs.
a. Wages for hours worked (normal)	2,05,000
b. Wages for overheads	22,000
c. Leave wages	17,000
d. Deduction of (ESI) of employee share	5,000
e. Employee Contribution to PF	16,000
f. House rent to be recovered from 30 employees at the rate of Rs. 100 per month	

- 12 a Calculate the economic batch quantity for a product using batch costing from the following details:  
 Annual demand for the product = 2000 units  
 Set up cost per batch = Rs. 10  
 Cost of Carrying inventory per unit = Rs.1

- 12 b Tony Co. undertook a contract for construction of a private house. Contract price was Rs. 40,00,000 following were the details of contract.

Particulars	(Rs.)
Materials sent to contract site	16,00,000
Labour: Skilled 6,00,000; Unskilled 4,00,000	10,00,000
Sub contracts for plumbing and electricity	4,00,000
Sundry expenses	2,00,000
Closing stock of materials at site	1,00,000

Prepare contract account and determine the profit or loss.

- 13 During the Year 1998, X Ltd, produced 50,000 units of a product.  
 The following were the expenses:

Particulars	RS.
Stock of Raw Materials on 1/1/98	10,000
Stock of Raw Materials on 31/12/98	20,000
Direct Wages	75,000
Purchases	1,60,000
Direct Expenses	25,000
Factory Expenses	37,500
Office Expenses	62,500
Selling Expenses	25,000

You are required to prepare a cost sheet showing cost per unit & total cost.

- 14 a R. Ltd took up two jobs during the 1<sup>st</sup> week of April 2010. The following details are available

	Job 108	Job 109
Materials Supplied	21,000	14,000
Wages Paid	9,000	6,000
Materials Transfer from 109 to 108	1,000	1,000
Materials returned to stores	-	500

- 14 b Find out the cost of each job  
 From the following particulars compute the machine hour rate

Cost of the machine	Rs.11,000
Scrap value	Rs.680
Repairs for the effective working life	Rs.1,500
Standing charges for 4 weekly period	Rs. 40
Effective working life 10,000 hours	
Power used: 6 units per hour at 5 paise per unit	
Hours worked in 4 weekly period: 120 hours.	

15. What is the role of Cost Accountant?

- 16 a From the following particulars find the amount required for cash payment of wages in a factory for the month of January-2014: Wages for normal hours worked-Rs.2, 00,000 Wages for overtime worked-Rs.5, 000 Leave wages-Rs.4, 000 Deduction for employee's state insurance scheme-Rs.3, 000 Employee's contribution to provident fund-Rs.2, 000. House Rent to be recovered from 20 employees at Rs. 50 per month. Employer also contributes an equal amount towards ESI and PF.

- 16 b Calculate the earnings of 3 Workers A, B, C under Merrick's Multiple Piece rate system, given the following: STD Production per day: 150 Units Normal Piece rate: Rs. 0.50 Per Units Production of Workers on a particular day: A: 120 Units B: 140 Units C: 160 Units.
- 16 c From the following data given by the personnel department calculate the labour turnover rate by applying? a) Separation Method b) Replacement Method c) Flux Method No. of workers of the payroll At the beginning of the month-900 At the end of the month-1100 During the month 10 workers left, 40 persons were discharged and 150 workers were recruited, of these, 25 workers are recruited in the vacancies of those leaving, while rest were engaged for an expansion scheme.
- 17 What are the Requisites of a good costing system?

**PART – C**

**(2 x 20 = 40 Marks)**

**Answer any TWO questions**

- 18 From the following data, prepare a cost sheet.

Particulars	Amount (in Rs.)
Direct wages	1,50,000
Power	2,500
Store keeper wages	5,000
Factory rent	12,500
Repairs (Factory Plant)	15,500
Repairs (Office Building)	2,500
Goodwill written off	2,500
Consumable stores	12,500
Director's fees	6,250
Telephone rent	625
Salesman's salary	6,250
Advertising	6,250
Income Tax	50,000
Sales	9,47,500
Direct Materials	5,00,000
Oil and water	2,500
General Reserve	5,000
Fore men's salary	12,500
Factory lighting	7,500
Depreciation on factory plant	2,500
Depreciation on office building	6,250
Manager's salary	25,000
Office stationery	2,500
Postage	1,250
Travelling expenses	2,500
Warehouse rent	2,500
Dividend paid	10,000

19 The following transactions are recorded in respect of material used in factory during April 1984.

April 1	Opening balance	500 tonnes at Rs. 25
2	Issue	70 tonnes
4	Issue	100 tonnes
7	Issue	80 tonnes
12	Received	200 tonnes at Rs. 26
14	Refund of surplus from a work orders	15 tonnes at Rs. 25
16	Issue	180 tonnes
20	Received from vendor	240 tonnes at Rs. 25
24	Issue	300 tonnes
25	Received from vendor	320 tonnes at Rs. 28
26	Issue	112 tonnes
27	Refund of surplus from a Work order	12 tonnes at Rs. 27
28	Received from vendor	100 tonnes at Rs. 29

Issues are to be priced on the principle of FIFO the Stock verifier noted that on 15<sup>th</sup> he had found a shortage of 5 tonnes and on 27<sup>th</sup> another shortage of 8 tonnes.

20 The John Co., divided into four departments. A, B, C are producing departments and D is service department. The actual costs for a period are as follows:

Particulars	(Rs.)
Rent	1,000
Repairs to plant	600
Depreciation on plant	450
Employer's liability for Insurance	150
Supervision	1,000
Fire insurance in respect of stock	500
Power	900
Lighting	120

The following information are available in respect of the e 4 departments.

Particulars	Dept. A	Dept. B	Dept. C	Dept. D
Area (Sq. meters)	1,500	1,100	900	500
No. of employees	20	15	10	5
Total wages (Rs.)	6,000	4,000	3,000	2,000
Value of plant (Rs.)	24,000	18,000	12,000	6,000
Value of stock (Rs.)	15,000	9,000	6,000	-
H.P. of Plant (kwh)	24	18	12	6

Apportion the costs of the various departments on the most equitable basis.

21 Distinguish between cost accounting and financial accounting

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