

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – COMMERCE

FIFTH SEMESTER – APRIL 2018

CO 5501– COST ACCOUNTING

Date: 30-04-2018
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

SECTION - A

ANSWER ALL QUESTIONS

(10x2=20)

1. What is cost sheet?
2. What is stock in trade?
3. Write the importance of differential piece rate.
4. List out the types of overhead.
5. Mention the significance of EBQ.
6. What is abnormal loss?
7. From the following calculate the total passenger kms : (a) No. of buses- 10. (b) No. of days operated in a month – 28. (c) No. of trips by each bus per day- 2 trips. (d) Distance of route- 25 Kms. (one side). (e) Capacity of the bus – 50 passengers. (f) Normal capacity- 80%.
8. Compute the Economic Order Quantity from the following information:
Annual usage- 20,000 units, Buying cost per order – Rs. 10, Cost per unit- Rs. 100 and Cost of carrying inventory – 10% of cost.
9. Calculate the labour turnover rate by applying: (a) separation method (b) replacement method.
No. of workers on payroll: At the beginning of the month 800 and At the end of the month 1,200.
During the month 20 workers left; 30 workers were discharged and 150 workers were recruited. Of these, 25 workers are recruited in the vacancies of those leaving while the rest were engaged for an expansion scheme.
10. Find the overtime hours and overtime wages from the following information: Actual hours worked: 50, Normal working hours: 40 and Normal wage rate: Rs. 25 per hour.

SECTION-B

ANSWER ANY FIVE QUESTIONS

(5X8=40)

11. Explain the objectives of cost accounting.
12. What is operating costing? Explain the procedures involved in transport costing.
13. What is labour turnover? Explain the causes of labour turnover.
14. On October 30th 2010 the account of contract number 75 showed the following amounts as expended thereon:

Particulars	Rs.	Particulars	Rs.
Materials directly purchased	9,00,000	Materials issued from stores	2,50,000
Plant purchased	8,00,000	Wages	12,20,000
Direct expenses	1,20,000	Proportionate establishment charges	2,70,000

The contract was Rs. 75, 00,000 and up to 30th October, 2010 Rs. 29, 00,000 had been received in cash which represented 80% of work certified by the architect. The materials on site unconsumed were valued at Rs. 75,000. The depreciation on plant worked out to Rs.80, 000. Prepare the contract account showing what profit there in had been earned to date. Also state what amount should, in your opinion, is taken to profit and loss account of the period.

15. Prepare reconciliation statement from the following information

Profit as per financial accounts- Rs.1, 000
 Less depreciation charged in cost accounts-Rs.1, 000
 Factory overhead absorbed in cost accounts – Rs.3, 500
 Factory expenses incurred – Rs. 3,000.
 Administration overhead under recovered – Rs.2, 500.
 Provision for doubtful debts – Rs. 1,000
 Income tax paid – Rs.2, 500
 Dividend received- Rs. 4,000
 Stores adjustment credited in financial accounts- Rs.1, 400.

16. Two components X and Y are used as follows:

Normal usage: 600 units per week each
 Maximum usage: 900 units per week each
 Minimum usage: 300 units per week each
 Reorderquantity: X- 4,800 units , Y- 7,200 units
 Reorder period: X- 4 to 6 weeks, Y- 2 to 4 weeks.

Calculate for each component:

(a) Reorder level (b) Minimum Level (c) Maximum level (d) Average stock level.

17. (a) Raj works in a factory where the following particulars apply:

Normal rate per hour- Rs.150, Normal piece rate is Rs.10, Raj produces 157 units in an 8 hour day. Compute his wages for the day on: (i) Time basis and (ii) Piece basis.

(b) Calculate the wages due under Rowan Plan and Halsey Plan, with the following details: Standard time- 9 hours, Time taken- 6 hours, Normal rate- Rs. 8 per hour, Material Cost- Rs.40 and Overhead recovered – 150% of direct wages. Compute the factory cost also.

18. Calculate machine hour rate from the following:

Particulars	Rs.	Particulars	Rs.
Cost of machine	80,000	Cost of installation	20,000
Scrap value after 10 years	20,000	Rent, rates per quarter for the shop	3,000

General lighting (per month)	200	Shop supervision per quarter	6,000
Insurance premium p.a	600	Estimated repairs p.a	1,000

Power 2 units per hour at Rs. 50 per 100 units. Estimated working hours per annum 2,000. The machine occupies 1/4th of the total area of the shop. The supervisor devotes 1/6th of his time for supervising this machine. General lighting is to be apportioned on the basis of floor area.

SECTION-C ANSWER ANY TWO QUESTIONS (2X20=40)

19. Modern manufacturers Ltd, have three production departments A,B,C and two service departments P and Q, the details pertaining to which are as under:

Particulars	A	B	C	P	Q
Direct wages	30,000	20,000	30,000	15,000	5,000
Value of machine (Rs.)	6,00,000	8,00,000	10,00,000	50,000	50,000
H.P. of machine	60	30	50	10	-
Light points	100	150	200	100	50
Floor area (Sq. feet)	20,000	25,000	30,000	20,000	5,000

The following figures extracted from the accounting records are relevant: Rent Rs.15,000, General lighting Rs.6,600, Indirect wages Rs. 20,000, Power Rs.15,000, Depreciation on machines Rs.1,00,000, Insurance on machines Rs.50,000, Contribution to P.F Rs.40,000 and Sundries Rs.10,000.

The expenses of service departments are allocated as under:

Particulars	A	B	C	P	Q
P	20%	30%	40%	-	10%
Q	40%	20%	30%	10%	-

Calculate the total overheads of the production department A, B and C.

20. Prepare stores ledger under (a) FIFO method and (b) LIFO method

1st July 2010- opening stock 2,000 unit at Rs. 10 each

5th July- received 1,000 units at Rs. 11 each

6th July - issued 1500 units

10th July- received 5,000 units at Rs. 12 each

14th July - issued 600 units

20th July - issued 150 units

25th July- received 500 units at Rs. 14 each

28th July- issued 300 units.

21. The product of a manufacturing concern passes through three processes. In March 2005, the cost of production was as given below:

Particulars	Process A	Process B	Process C
Raw materials used (tons)	200	71	164
Cost per ton	Rs. 100	Rs. 300	Rs.50
Direct wages	Rs. 8,000	Rs. 3,490	Rs. 2,850
Overheads	Rs. 2,520	Rs. 2,400	Rs. 3,820
Sale of scrap per ton	Rs. 80	Rs.60	Rs. 120

The product of three processes is dealt with as follows:

Sent to warehouse for sale A- 25% B- 50% C- 100%

Sent to next process A- 75% B- 50%.

In each process, 6% of total weight is lost and 8% is scrap. Prepare process cost accounts.

22. Prepare cost sheet from the following information:

Particulars	Rs.
Stock on hand on 1 st December 2010- Raw material	25,000
Stock on hand on 1 st December 2010- Finished goods	17,300
Stock on hand on 31 st December 2010- Raw material	26,200
Stock on hand on 31 st December 2010-Finished goods	15,700
Purchases of Raw materials	21,900
Carriage on purchases	1,100
Work- in – progress on 1 st December 2010	8,200
Work- in – progress on 31 st December 2010	9,100
Sale of finished goods	72,300
Direct wages	17,200
Non productive wages	800
Direct expenses	1,200
Factory overheads	8,300
Administrative overheads	3,200
Selling and distribution overheads	4,200
