



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FOURTH SEMESTER – APRIL 2019

CO 4505– COST ACCOUNTING

Date: 12-04-2019
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART - A

Answer ALL Questions

(10 X 2 = 20)

- 1) Define 'Cost'.
- 2) Write the meaning of 'Over time'.
- 3) Give example for office overheads.
- 4) What do you mean by 'Cost Sheet'?
- 5) What is Process Costing?
- 6) Calculate the EOQ from the following particulars:
Annual requirements: 10,800 kgs
Cost of purchasing and receiving one order: Rs. 1,000
Annual carrying cost: Rs. 20
- 7) Calculate net wages from the following
Basic wage per month: Rs. 400
DA @ 25% on basic.
Employee contribution to PF 20% of basic.
- 8) The production department of a factory has furnished the following details
Direct wages: Rs. 1,50,000
Production overhead: Rs. 75,000
Compute overhead recovery rate on the basis of direct labour.
- 9) Compute the prime cost:
Direct Material used: Rs. 82,000
Productive wages: Rs. 17,000
Royalty paid: Rs. 11,000
Hire charge of special machines for the job: Rs. 13,000
- 10) A truck starts from city 'A' with load of 8 tons. It unloads 2 tons in town 'B' and the balance 6 tons in town 'C'. In the return journey it carries 4 tons from town 'C' to the city directly. Distances were as follows: City to town 'B' 50 kms, Town 'B' to town 'C' 40 kms and Town 'C' to city direct 70 kms. Calculate absolute ton kms and commercial ton kms.

PART – B

Answer Any FOUR Questions.

(4 X 10=40)

- 11) What are the essentials of a good costing system?
12) Explain the causes and effects of Labour Turnover?
13) Calculate the earnings of a worker from the information given below under:

(a) Time rate method. (b) Piece rate method. (c) Halsey Plan. (d) Rowan Plan

Hourly rate of wages Rs. 2 per hour plus a dearness allowance of Rs. 0.50 per hour worked.

Standard Time: 30 hours

Actual Time: 20 hours

- 14) From the data given below, compute machine hour rate:

Cost of the machine	Rs. 90,000
Installation charges	Rs. 10,000
Estimated scrap value	NIL
Estimated repair charges per year	Rs. 1,000
Estimated working life of the machine	Rs. 10,000
Standing charges allocated to the machine per year	Rs. 6,000
Estimated working hours per year	2,000 hours

Power consumption of the machine 20 units per hour and the rate of power per 100 units Rs. 10

- 15) Draw a statement of cost from the following particulars:

Particulars		Rs.
Opening stock:	Materials	2,00,000
	Work-in-progress	60,000
	Finished goods	5,000
Closing stock:	Materials	1,80,000
	Work-in-progress	50,000
	Finished goods	15,000
Materials purchased		5,00,000
Direct wages		1,50,000
Manufacturing Expenses		1,00,000
Sales		8,00,000
Selling and distribution expenses		20,000

- 16) From the following particulars, calculate: Re-order level, minimum level and maximum level.

Normal Usage	100 units per day
Minimum Usage	60 units per day
Maximum Usage	130 units per day
Economic order quantity	500 units
Re-order period	25 to 30 days

17) Seema and Co., undertook a contract for construction of a private house. Contract price was Rs. 40,00,000 and the contract was completed during the year. The following were the details:

			Rs.
Materials sent to contract site			16,00,000
Labour:	Skilled	6,00,000	
	Unskilled	4,00,000	10,00,000
Subcontracts 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.

PART – C

Answer Any TWO Questions

(2 x 20 = 40)

18) Prepare stores ledger a/c under FIFO and Weighted Average Method

1.1.86	Opening stock 200 units @ Rs.3
2.1.86	Received 300 units @ Rs.4
4.1.86	Issued 250 units
6.1.86	Received 100 units @ Rs.2
10.1.86	Issued 200 units

19) A company has three production and two service departments. In March 2009, the department expenses were as follows:

Production Departments		Service Departments	
	Rs.		Rs.
A	800	X	234
B	700	Y	300
C	500		

Service department expenses are, charged out on a percentage basis of

	A	B	C	X	Y
Expenses of Department X	20%	40%	30%	-	10%
Expenses of Department Y	40%	20%	20%	20%	-

Apportion the service department expenses to the production departments under "Repeated distribution method".

20) The following data is available in respect of Job No.876

Direct Materials; Rs. 17,000; Wages 160 hours at Rs. 50 per hour. Variable overhead incurred for all jobs Rs. 80,000 for 2000 Labour hours. Fixed overheads are absorbed at Rs. 20 per hour: Find the profit or loss from the job if the job is billed for Rs. 40,000.

- 21) A product passes through three processes 'X', 'Y' and 'Z' to its completion. During September 2006, 5,000 units of finished product were produced and the following expenses were incurred:

Particulars	Process X Rs.	Process Y Rs.	Process Z Rs.
Material	5,000	10,000	5,000
Direct wages	25,000	20,000	15,000
Direct Expenses	2,500	3,000	5,000

Indirect expenses amount Rs. 30,000 which are to be apportioned to the processes on the basis of direct wages. Raw materials worth Rs. 30,000 were issued to process 'X'. Ignore the question of process stocks and prepare the process accounts, showing cost per unit in each process.

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