LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – **COMMERCE**

FOURTH SEMESTER – **APRIL 2023**

UCO 4501 – COST ACCOUNTING

Date: 02-05-2023 Dept. No. Time: 09:00 AM - 12:00 NOON

	SECTION A - K1 (CO1)					
	Answer ALL the Questions(10 x 1 = 10)					
1.	Multiple Choice Questions					
a)	Which cost is incurred even if the company is closed?					
	(i) Sunk cost (ii) Historical cost					
b)	(iii) Imputed cost(iv) Shut-down costWhich is considered to be the normal loss of materials?					
b)	(i) Loss due to accidents (ii) Pilferage					
	(iii) Careless handling of materials (iv) Loss due to breaking the bulk					
c)	Labour turnover is measured by?					
	(i) Number of persons replaced/ average number of workers					
	(ii) Numbers of persons separated / Number of workers at the beginning of the year					
	(iii) (Number of persons replaced + Number of persons separated)/(Number of persons at the					
	beginning + Number of persons at the end of the year)					
	(iv) Number of persons replaced / Number of workers at the end					
d)	Employee cost includes?					
	(i) Wages and salaries. (ii) Allowances and incentives					
	(iii) Payment for overtime. (iv) All of the above					
e)	In activity based costing, costs are accumulated by activity using?					
	(i) Cost drivers (ii) Cost objects					
	(iii) Cost pools (iv) Cost benefit analysis					
2.	Fill in the Blanks					
a)	The total of all direct costs is cost.					
b)	The system of costing for jobs of diverse nature is costing.					
c)	Bonus under Halsey plan is paid at% of time saved.					
d)	Power cost is apportioned on the basis of hours.					
e)	profit is the basis for computing profits on incomplete contracts.					
	SECTION A - K2 (CO1)					
	Answer ALL the Questions (10 x 1 =					
	10)					
3.	Match the Following					
a)	Primary packing cost is a part of (i) Inventory control technique					
b)	Salary paid to plant supervisor is a part of (ii) Transfer pricing					
c)	Batch costing is a type of(iii) Production cost					
d)	ABC Analysis is (iv) Factory overheads					
e)	Interprocess profits are an example of (v) Job costing					
4.	True or False					
a)	Expenses that are exclusively shown in the financial accounts are added back to financial profit in the reconciliation statement.					

Max. : 100 Marks

4 \	T 1 . 1	,• 1 .•		1
b)	Employee cost does not include incer			
c)	In cost sheet preparation, costs are cla			
d)	Abnormal loss should not be allowed			
e)	Prime cost includes direct materials, o		enses.	
		CTION B - K3 (CO2)		
	Answer any TWO of the following		($2 \times 10 =$
			1 1 4	1 1 1 0
5.	Calculate Reorder level, Minimum s		evel and Average st	ock level of
	X and Y from the following informat		X	
		X 1	Y	
	Normal usage week	300 units per week	400 units per week	
	Maximum usage	450 units per week	500 units per week	
	Minimum usage	150 units per week	250 units per week	
	Reorder period	4 to 6 weeks	2 to 4 weeks	
	Reorder quantity	2400 units	3000 units	
6.	From the following particulars, calcu	-		
	a) Time rate system	b) Piece wage rated) Rowan plan		
	c) Halsey plan	d) Rowan plan		
	Wage rate – Rs. 2 per hour			
	Production per hour – 4 units Dearness allowance – Re. 1 per hour			
	Standard time fixed – 80 hours			
	Actual time taken – 50 hours			
	Production – 250 units			
7.	Mr. X owns a fleet of trucks. His rec	ords for the year 2020 contain	is the following deta	ils:
	No. of trucks		10	
	Life of each truck in kms		2,00,000	
	Monthly distance run by a truck	in kms	5,000	
	Average empty running p.m.	1	20%	
	Fuel usage – 1 litre for every 20	KMS	Rs.	
	Cost of truck		1,20,000	
	Scrap value at the end of life		20,000	
	Manager's salary per month		2,000	
	Accountant's salary per month		1,500	
	Driver's salary per truck per mor		700	
	Cleaner's salary per truck per mo		400	
	Salary of 3 mechanics common f	-	500	
	Garage expenses for 10 trucks p.		12,000	
	Insurance at 2.4% on cost of truc Road tax per truck p.a.	1,200		
	Price of petrol per litre	1,200		
	Lubricants, tyres and repairs per	km	0.40	
	- <u>-</u>		ı	
8.	Compute cost per effective running k From the following information, prep		1 of December 2019	
0.			Rs	
	Stock on hand - 1 st De	cember 2019:		
	Raw materials		25,000	
	Finished Goods		17,300	
	Stock on hand -31^{st} D	December 2019:		
	Raw materials		26,200	

	Finished Goods	15,700
	Purchase of Raw Materials	21,900
	Carriage on purchases	1,100
	Work in Progress 1 st December 2019 at works cost	8,200
	Work in Progress 31 st December 2019 at works cost	9,100
	Sale of finished goods	72,300
	Direct wages	17,200
		800
	Non-productive wages	
	Direct Expenses	1,200
	Factory overheads	8,300
	Administration overheads	3,200
	Selling and distribution overheads	4,200
	SECTION C – K4 (CO3)	
	Answer any TWO of the following	$(2 \times 10 = 20)$
9.	(i) From the following particulars prepare a statement showing the labor	our cost per man-day of 8
	hours.	
	a) Basic salary – Rs. 2 per day	
	b) Dearness allowance – 25 ps for every point over 100 (cost of	living index for working
	class) current cost of living index is 700 points	it ing much for working
	c) Leave salary – 10% of (a) and (b)	
	d) Employer's contribution to $PF - 8\%$ of (a), (b) and (c)	
	e) Employer's contribution to state insurance -2.5% of (a), (b) and	(c)
	f) Expenditures on amenities to labour Rs. 20 per head per mensem	
	g) Number of working days in a month – 25 days of 8 hours each.	
	(ii) Calculate the earnings of 3 workers A, B and C under Merrick's N	Aultiple piece rate system
	from the following:	futupie piece fate system
	Standard production per day: 150 units	
	Normal piece rate: Rs. 0.50 per unit	
	Production of workers on a particular day:	
	A 120 units, B 140 units and C 160 units.	
10.	Ascertain the profit as per the financial books from the following inform	
		ation:
		Rs.
	Profit as per cost accounts	Rs.
	Profit as per cost accounts Closing stock over valued in cost books	Rs. 25,000
	Closing stock over valued in cost books	Rs. 25,000 12,500
	Closing stock over valued in cost books Preliminary expenses written off	Rs. 25,000 12,500 3,000
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	Closing stock over valued in cost books Preliminary expenses written off	Rs. 25,000 12,500 3,000
	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books	Rs. 25,000 12,500 3,000 30,000 50,375
	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books Works overhead under recovered in cost books	Rs. 25,000 12,500 3,000 30,000 50,375 30,375
	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books Works overhead under recovered in cost books Bank interest and transfer fee in financial books	Rs. 25,000 12,500 3,000 30,000 50,375 30,375 5,000
	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books Works overhead under recovered in cost books Bank interest and transfer fee in financial books Interest on investment recorded in financial books	Rs. 25,000 12,500 3,000 30,000 50,375 30,375 5,000 10,000
	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books Works overhead under recovered in cost books Bank interest and transfer fee in financial books	Rs. 25,000 12,500 3,000 30,000 50,375 30,375 5,000
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	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books Works overhead under recovered in cost books Bank interest and transfer fee in financial books Interest on investment recorded in financial books Depreciation shown in excess in cost books	Rs. 25,000 12,500 3,000 30,000 50,375 30,375 5,000 10,000 4,000
11	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books Works overhead under recovered in cost books Bank interest and transfer fee in financial books Interest on investment recorded in financial books Depreciation shown in excess in cost books Provision made for income tax	Rs. 25,000 12,500 3,000 30,000 50,375 30,375 5,000 10,000 4,000 40,000
11.	Closing stock over valued in cost books Preliminary expenses written off Profit on sale of building Admin expenses over recovered in cost books Works overhead under recovered in cost books Bank interest and transfer fee in financial books Interest on investment recorded in financial books Depreciation shown in excess in cost books Provision made for income tax	Rs. 25,000 12,500 3,000 30,000 50,375 30,375 5,000 10,000 4,000 40,000 re a separate account for
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	W	ages	Rs 2,44,000)		
			Rs $24,000$			
			Rs 1,60,000			
		oportionate establishment charges 1				
			,			
		act was for Rs 15,00,000 and up to	31-12-201	8 Rs 6,0	0,000 had been received i	n cas
	-	resented 80% of work certified.				
	The mate	rial at site unconsumed were val	lued at Rs	15,000.	The contract plant was	to b
	depreciate	ed by Rs 16,000.				
	Prepare th	e contract showing what profits the	reon have b	een earne	ed to date.	
12.	Compute	the machine hour rate from the follo	owing data:			
					Rs	
	(Cost of Machine			1,00,000	
		nstallation Charges			10,000	
		Estimated Scrap value after the expire	rv of life (1	5 Years)	-	
		Rent and rates for the shop per mont		,	200	
		General lighting for the shop per mo			300	
		nsurance premium for the machine			960	
		Repairs and maintenance per annum			1000	
	F	Power consumption – 10 units per he	our		-	
		Rate of power per 100 units			20	
		Estimated working hours per annum	(This inclu	de	2200	
		etting up time of 200 hours)				
	S	Shop supervisors salary per month			600	
		ine occupies $1/4^{th}$ of the total area. To supervising the machine.	The supervi	sor is exp	pected to devote 1/5 th share	e of
		SECTION I	D – K5 (CC)4)		
	Answer any ONE of the following(1 x 20 = 20)					
13.	. From the following transactions prepare separately stores ledger account using (i) FIFO and (ii LIFO Methods.					
	Jan 1	Opening Balance		100 uni	ts @Rs. 5 each	
	5	Received			-	
	20	Issued		500 units @Rs. 6 each 300 units		
	Feb 5	Issued		200 uni		
			:	200 unm	1.0	
	6	Received back from work order	issued on	10 .		
		5 th February		10 uni		
	7 Received			600 units @Rs. 5 each		
	20 Issued			300 units		
	23 Returned to supplier			50 units purchased on 7 th Feb		
	26	Issued		200 uni	ts	
	Mar 10	Received		500 uni	ts @Rs. 7 each	
	12	Issued		300 uni	ts	
14.		has 3 production departments A, 2 particulars are available for the more				
			Rs			
		Rent		5,000		
		Municipal taxes		5,000		
	1	_	~	,		
		Electricity	2	2,400		

		Indirect wages Power	• •••••		5,000 5,000			
		Depreciation of Canteen expense	•),000),000			
		Other labour re),000			
				1,14	4,400			
	The following further details are also available:							
	Particula			В	С	Х	Y	
	Floor space So	-		1250	1500	1000	250	
	Light points Direct wages 1		40 40 00 12000	60 8000	80 12000	40 6000	20 2000	
	HP of machine		50 60	30	50	10	- 2000	
	Cost of machi			64000	80000	4000	4000	
	The expenses of s	ervice departme				Ŭ	ner:	
	X	A 200/	B	C 400/	X	Y 10	0/	
		20% 40%		40%			-	
	You are required t						ents.	
		S	ECTION E -	- K6 (CC) 5)			
	Answer any ONI	E of the followir	ıg				(1	x 20 = 2
5.	5. The accounts of a machine manufacturing company disclose the following information for months ending 31 st dec 2012.							
	Materials used	1,50	,000					
	Direct wages		,000					
	Factory overheads30,000Admin., expenses15,000							
			ar and calcula	to the m	rice which	the comp	any shoul	
	Prepare cost shee the manufacture o	f a machine requ	iiring materia	ls valued	at Rs.1250		enditure in	
6	the manufacture o wages Rs. 750, so	f a machine requ that the price m	iiring materia ight yield a pr	ls valued ofit of 2	at Rs.1250 0% on the s	elling pri	enditure in ice.	product
6.	the manufacture o	f a machine requ that the price m through three pr	iiring materia ight yield a pr ocesses I, II, a	ls valued ofit of 2 nd III. F	at Rs.1250 0% on the s rom the fol	elling pri lowing in	enditure in ice.	product
6.	the manufacture o wages Rs. 750, so A Product passes	f a machine requ that the price m through three pr	iiring materia ight yield a processes I, II, a t there were n	ls valued ofit of 2 nd III. F o openin	at Rs.1250 0% on the s rom the fol g or closing	elling pri lowing in g stocks.	enditure in ice. formation	product
6.	the manufacture o wages Rs. 750, so A Product passes	f a machine required that the price mathematical through three prices of the price of the prices of	iring materia ight yield a processes I, II, a t there were n Process I (F	ls valued ofit of 2 nd III. F o openin	at Rs.1250 0% on the s rom the fol	elling pri lowing in g stocks.	enditure in ice.	product
6.	the manufacture o wages Rs. 750, so A Product passes the process account Mater Labou	f a machine required that the price mathematical formula three prices for the price mathematical formula three prices are been supported by the prices of th	iring material ight yield a processes I, II, a t there were n Process I (F 1,0 5,0	ls valued ofit of 2 nd III. F o openin Rs) Pro 00 00	at Rs.1250 <u>0% on the s</u> rom the following g or closing <u>cess II (Rs)</u> 1,500 8,000	elling pri lowing in g stocks.) Proces))	enditure in ice. formation ss III (Rs) 500 6,500	product
6.	the manufacture o wages Rs. 750, so A Product passes the process account Mater Labou Overh	f a machine require that the price m through three pro- nts assuming that ials r eads	iring material ight yield a processes I, II, a t there were n Process I (F 1,0 5,0 1,0	s valued ofit of 2 nd III. F o openin (s) Pro 00 00 50	at Rs.1250 <u>0% on the s</u> rom the foll g or closing <u>cess II (Rs</u>) 1,500 8,000 1,188	elling pri lowing in g stocks.) Proces)) 3	enditure in ice. formation ss III (Rs) 500 6,500 2,009	product
6.	the manufacture o wages Rs. 750, so A Product passes the process account Mater Labou Overh Actua	f a machine require that the price m through three price ints assuming that ials r eads l output (units)	iring material ight yield a processes I, II, a t there were n Process I (F 1,0 5,0 1,0 9,5	s valued ofit of 2 nd III. F o openin (s) Pro 00 00 50 00 00	at Rs.1250 <u>0% on the s</u> rom the following <u>cess II (Rs)</u> 1,500 8,000 1,188 9,100	elling pri lowing in g stocks.) Proces)) 3) 3)	enditure in ice. formation ss III (Rs) 500 6,500 2,009 8,100	product
6.	the manufacture o wages Rs. 750, so A Product passes the process account Mater Labou Overh	f a machine require that the price m through three price ints assuming that ials r eads l output (units)	iring material ight yield a processes I, II, a t there were n Process I (F 1,0 5,0 1,0 9,5	s valued ofit of 2 nd III. F o openin (s) Pro 00 00 50	at Rs.1250 <u>0% on the s</u> rom the foll g or closing <u>cess II (Rs</u>) 1,500 8,000 1,188	elling pri lowing in g stocks.) Proces)) 3) 3)	enditure in ice. formation ss III (Rs) 500 6,500 2,009	product
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6.	the manufacture o wages Rs. 750, so A Product passes the process account Mater Labou Overh Actual Norma	f a machine requ that the price m through three pro- nts assuming tha ials r eads l output (units) al loss occess I was sold s III at Re. 1 per	at Rs 25 paise unit.	ls valued <u>ofit of 2</u> nd III. F o openin (s) Pro 00 00 50 00 3% e per uni	at Rs.1250 <u>0% on the s</u> rom the foll g or closing <u>cess II (Rs)</u> 1,500 8,000 1,188 9,100 5% t, that of pro	elling pri lowing in g stocks.) Proces))) 3)) 6) () () () ()) ()) ()) ()	enditure in ice. formation ss III (Rs) 500 6,500 2,009 8,100 8% t Rs 50 pa	product prepare
6.	the manufacture o wages Rs. 750, so A Product passes the process account Mater Labou Overh Actua Norma The wastage of pr and that of proces Raw materials of	f a machine requ that the price m through three pro- nts assuming tha ials r eads l output (units) al loss occess I was sold s III at Re. 1 per	at Rs 25 paise unit.	s valued ofit of 2 nd III. F o openin (s) Pro (00 (00 (3%) e per uni nto proc	at Rs.1250 <u>0% on the s</u> rom the foll g or closing <u>cess II (Rs)</u> 1,500 8,000 1,188 9,100 5% t, that of pro	elling pri lowing in g stocks.) Proces))) 3)) 6) () () () ()) ()) ()) ()	enditure in ice. formation ss III (Rs) 500 6,500 2,009 8,100 8% t Rs 50 pa	product prepare
6.	the manufacture o wages Rs. 750, so A Product passes the process account Mater Labou Overh Actua Norma The wastage of pr and that of proces Raw materials of	f a machine requ that the price m through three pro- nts assuming tha ials r eads l output (units) al loss occess I was sold s III at Re. 1 per	at Rs 25 paise unit.	s valued ofit of 2 nd III. F o openin (s) Pro (00 (00 (3%) e per uni nto proc	at Rs.1250 <u>0% on the s</u> rom the foll g or closing <u>cess II (Rs)</u> 1,500 8,000 1,188 9,100 5% t, that of pro	elling pri lowing in g stocks.) Proces))) 3)) 6) () () () ()) ()) ()) ()	enditure in ice. formation ss III (Rs) 500 6,500 2,009 8,100 8% t Rs 50 pa	product prepare