



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

FOURTH SEMESTER – JULY 2024

UCO 4501 – COST ACCOUNTING

Date: 13-06-2024

Dept. No.

Max. : 100 Marks

Time: 10:00 AM - 01:00 PM

SECTION A – K1 (CO1)

Answer ALL the questions

(10 x 1 = 10)

1 Multiple Choice Questions

- a) Imputed cost is a
(a) Notional cost (b) Real cost (c) Abnormal cost (d) Variable cost
- b) Cost of Abnormal loss is shown in
(a) Balance sheet (b) P & L A/c credit side (c) P&L A/c Debit side (d) None of these
- c) Comprehensive machine hour rate includes
(a) Machine operator's wages (b) Managing director's salary (c) Income tax (d) Office Rent
- d) Time study is for
(a) Measurement of work (b) Fixation of Standard Time
(c) Ascertainment of actual hours (d) None of these
- e) Profit to be Transferred to P&L A/c, if a contract is complete to the extent of only 20%
(a) 2/3. (b) Nil (c) 1/3. (d) Full profit.

2 Fill in the blanks

- a) VED analysis is Vital, _____ and Desirable analysis.
- b) Work-in-progress is adjusted before ascertaining _____ cost
- c) Time rate is guaranteed under Gantt's _____ Bonus plan
- d) Expenditure over and above prime cost is known as _____.
- e) Operating costing is suitable to ascertain costs in _____ Industries

SECTION A – K2 (CO1)

Answer ALL the questions

(10 x 1 = 10)

3 Match the following

- a) Advertisement (i) Floor area occupied
- b) .Credit and Collection (ii) A percentage of cash collection
- c) Ware house Rent (iii) Selling Overhead
- d) Royalties (iv) Sales value
- e) Bad Debts (v) Direct allocation

4 True or False

- a) Weighted average method reduces the effect of fluctuations in prices.
- b) Bad Debts are excluded from cost Accounts.
- c) Labour turnover can be caused by poor working conditions.
- d) Basis of apportionment for lighting is K.W.H.
- e) Job costing can be used along with marginal costing technique.

SECTION B – K3 (CO2)

Answer any TWO of the following

(2 x 10 = 20)

- 5 Calculate (a) EOQ (b) maximum level (c) minimum level and (d) recording levels from the following data:
- | | |
|---------------------|----------------------|
| Recorded 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 per week |

	cost per unit ordering cost inventory carrying cost is 20% of unit value	Re.1 Rs 25 units																								
6	Calculate machine hour rate to cover to overhead expenses indicated below :																									
	<table><tr><td>Per hour</td><td></td><td>Per annum</td><td></td></tr><tr><td>Electric power</td><td>75 paise</td><td>Repairs</td><td>Rs 530</td></tr><tr><td>Steam</td><td>10 paise</td><td>Rent</td><td>Rs 270</td></tr><tr><td>Water</td><td>2 paise</td><td>Running hours</td><td>2,000</td></tr></table>	Per hour		Per annum		Electric power	75 paise	Repairs	Rs 530	Steam	10 paise	Rent	Rs 270	Water	2 paise	Running hours	2,000									
Per hour		Per annum																								
Electric power	75 paise	Repairs	Rs 530																							
Steam	10 paise	Rent	Rs 270																							
Water	2 paise	Running hours	2,000																							
	Original cost of machine was Rs. 12,500. Book value Rs. 2,870. Present replacement value Rs. 11,500. Depreciation 7.5 % per annum.																									
7	Chennai city corporation employs 200 trucks for garbage clearance. their capacities are as follow 40 trucks 6 tons 80 trucks 5 tons 80 trucks 4 tons The trucks operate in all 30 days a month, making 5trip a day , covering 10kms in each trip they carry an average 80% capacity load On average % of the vehicles in garage for maintenance work Calculate the ton-kilometers per month .																									
8	Mr. Gopal furnished the following data relating to the manufacture of a standard product: during the month of April 2007																									
	<table><tr><td>Raw materials consumed</td><td>Rs 15,000</td></tr><tr><td>Direct labour chargers</td><td>Rs 9,000</td></tr><tr><td>Machine hours worked</td><td>900</td></tr><tr><td>Machine hour rate</td><td>Rs 5</td></tr><tr><td>Administrative overheads</td><td>20% on works cost</td></tr><tr><td>Selling overheads</td><td>Re 0.50 per units</td></tr><tr><td>Units produced</td><td>17,100</td></tr><tr><td>Units sold</td><td>16,00 at Rs 4 per units</td></tr></table>	Raw materials consumed	Rs 15,000	Direct labour chargers	Rs 9,000	Machine hours worked	900	Machine hour rate	Rs 5	Administrative overheads	20% on works cost	Selling overheads	Re 0.50 per units	Units produced	17,100	Units sold	16,00 at Rs 4 per units									
Raw materials consumed	Rs 15,000																									
Direct labour chargers	Rs 9,000																									
Machine hours worked	900																									
Machine hour rate	Rs 5																									
Administrative overheads	20% on works cost																									
Selling overheads	Re 0.50 per units																									
Units produced	17,100																									
Units sold	16,00 at Rs 4 per units																									
	You required to prepare a cost sheet from the above showing a) cost per unit, and b) Profit per unit sold and profit for the period																									
SECTION C – K4 (CO3)																										
	Answer any TWO of the following	(2 x 10 = 20)																								
9	From the following data prepare a statement showing the cost the cost per day of eight hours of engaging a particular type of labour; (A) Monthly basic salary plus D>A Rs 400; (A) Leave salary 5% of (a) (B) Employee ‘s contribution of P,F 8% (a) and (b) (C) Employee ‘s contribution to ESI – 2 ½ % of (a) and (b0 (D) Pro –rata expenditure on amenities to labour Rs 35 per head p.m (E) Number of working hours in a month 200																									
10	Prepare a statement of reconciliation from the following:																									
	<table><tr><td></td><td>Rs</td></tr><tr><td>Net loss as per cost accounts</td><td>34,500</td></tr><tr><td>Net loss as per financial accounts</td><td>40,950</td></tr><tr><td>Works overhead under recovered in costing</td><td>6,240</td></tr><tr><td>Administrative overhead recovered in excess</td><td>3,400</td></tr><tr><td>Depreciation recovered in costing</td><td>11,200</td></tr><tr><td>Depreciation charged in financial accounts</td><td>12,500</td></tr><tr><td>Interest on investments not included in costing</td><td>6,000</td></tr><tr><td>Goodwill written off</td><td>5,000</td></tr><tr><td>Provision for doubtful debts in financial accounts</td><td>1,260</td></tr><tr><td>Stores adjustment credit in financial account</td><td>950</td></tr><tr><td>Loss of stock charged in financial accounts</td><td>3,000</td></tr></table>		Rs	Net loss as per cost accounts	34,500	Net loss as per financial accounts	40,950	Works overhead under recovered in costing	6,240	Administrative overhead recovered in excess	3,400	Depreciation recovered in costing	11,200	Depreciation charged in financial accounts	12,500	Interest on investments not included in costing	6,000	Goodwill written off	5,000	Provision for doubtful debts in financial accounts	1,260	Stores adjustment credit in financial account	950	Loss of stock charged in financial accounts	3,000	
	Rs																									
Net loss as per cost accounts	34,500																									
Net loss as per financial accounts	40,950																									
Works overhead under recovered in costing	6,240																									
Administrative overhead recovered in excess	3,400																									
Depreciation recovered in costing	11,200																									
Depreciation charged in financial accounts	12,500																									
Interest on investments not included in costing	6,000																									
Goodwill written off	5,000																									
Provision for doubtful debts in financial accounts	1,260																									
Stores adjustment credit in financial account	950																									
Loss of stock charged in financial accounts	3,000																									
11	A company of builders undertook a contract to construct a multi-story structure for Rs.20,00,000, estimating the cost to be Rs.18,400,00. At the end of the year the company had received Rs.7,20,000 being 90% of work certified. work done, but not certified was Rs.20,000. The following expenses were																									

	incurred.																												
		Rs Materials2,00,000 Labour5,00,000 Plant40,000																											
	Materials costing Rs .10000 were damaged .plant is considered as having depreciated at 25%. Prepare contract account and show the profit that can be reasonably taken to profit and loss account																												
12	In a factory, the following particulars have been collected for three months’ period ending 31 st March, 2002. You are required to re-apportion the service department expenses to production departments.																												
	Production departments service departments																												
	Expenses as PER	P1P2P3S1S2																											
	Primary Distribution Summary	Rs.8850Rs.7135Rs.6285Rs.4515Rs.6010																											
	Apportion the expenses of service department S2 in proportion of 3:3:4and those of services department S1 in the ratio of 3:1:1 to departments’ p1, p2and p3 respectively.																												
SECTION D – K5 (CO4)																													
	Answer any ONE of the following (1 x 20 = 20)																												
13	Prepare a stores ledger account and enter the following transactions adopting the Weighted Average Method & LIFO Method of pricing out issues.																												
	<table><tr><th>Date</th><th>Particulars</th><th>Transaction</th></tr><tr><td>1985 Feb 1</td><td>Opening Balance</td><td>50 Units @ Rs.3 Per Unit</td></tr><tr><td>5</td><td>Issued</td><td>20 Units</td></tr><tr><td>7</td><td>Purchased</td><td>40 Units at Rs.4 Per Unit</td></tr><tr><td>9</td><td>Issued</td><td>25 Units</td></tr><tr><td>19</td><td>Purchased</td><td>75 Units at Rs.5 Per Unit</td></tr><tr><td>20</td><td>Issued</td><td>15 Units</td></tr><tr><td>21</td><td>Received Back</td><td>10 Units out of Feb 9 Issue</td></tr><tr><td>26</td><td>Issued</td><td>60 Units</td></tr></table>	Date	Particulars	Transaction	1985 Feb 1	Opening Balance	50 Units @ Rs.3 Per Unit	5	Issued	20 Units	7	Purchased	40 Units at Rs.4 Per Unit	9	Issued	25 Units	19	Purchased	75 Units at Rs.5 Per Unit	20	Issued	15 Units	21	Received Back	10 Units out of Feb 9 Issue	26	Issued	60 Units	
Date	Particulars	Transaction																											
1985 Feb 1	Opening Balance	50 Units @ Rs.3 Per Unit																											
5	Issued	20 Units																											
7	Purchased	40 Units at Rs.4 Per Unit																											
9	Issued	25 Units																											
19	Purchased	75 Units at Rs.5 Per Unit																											
20	Issued	15 Units																											
21	Received Back	10 Units out of Feb 9 Issue																											
26	Issued	60 Units																											
14	The following particulars relate to a manufacturing company which has three departments A, B, C and two service departments X and Y																												
	<table><tr><th>Particulars</th><th>A (Rs.)</th><th>B (Rs.)</th><th>C (Rs.)</th><th>X (Rs.)</th><th>Y (Rs.)</th></tr><tr><td>Total Departmental Overhead as per Primary Distribution</td><td>6,300</td><td>7,400</td><td>2,800</td><td>4,500</td><td>2,000</td></tr></table>	Particulars	A (Rs.)	B (Rs.)	C (Rs.)	X (Rs.)	Y (Rs.)	Total Departmental Overhead as per Primary Distribution	6,300	7,400	2,800	4,500	2,000																
Particulars	A (Rs.)	B (Rs.)	C (Rs.)	X (Rs.)	Y (Rs.)																								
Total Departmental Overhead as per Primary Distribution	6,300	7,400	2,800	4,500	2,000																								
	The company decided to charge the service department costs on the basis of the following percentages:																												
	<table><tr><th></th><th>A</th><th>B</th><th>C</th><th>X</th><th>Y</th></tr><tr><td>X</td><td>40%</td><td>30%</td><td>20%</td><td>-</td><td>10%</td></tr><tr><td>Y</td><td>30%</td><td>30%</td><td>20%</td><td>20%</td><td>-</td></tr></table>		A	B	C	X	Y	X	40%	30%	20%	-	10%	Y	30%	30%	20%	20%	-										
	A	B	C	X	Y																								
X	40%	30%	20%	-	10%																								
Y	30%	30%	20%	20%	-																								
	Find the total overhead of production departments on the Repeated Distribution method.																												
SECTION E– K6 (CO5)																													
	Answer any ONE of the following (1 x 20 = 20)																												
15	A product passes through two distinct processes A and B and then to finished stock. The normal wastage of each process is as follows: Process A - 3% of units entering the process & Process B-5% of units entering the process Wastage of process A was sold at Re. 0.50 per unit and that of process B at Re.1 per unit. 10,000 units were introduced into process A at a cost of Rs.2 per unit.																												
	The other expenses were as follows:																												
	<table><tr><th></th><th>Process A</th><th>Process B</th></tr><tr><td>Sundry materials</td><td>2000</td><td>3000</td></tr><tr><td>Wages</td><td>10000</td><td>16000</td></tr><tr><td>Overhead expenses</td><td>2100</td><td>2375</td></tr><tr><td>Actual output</td><td>9,500 Units</td><td>9,100 Units</td></tr></table>		Process A	Process B	Sundry materials	2000	3000	Wages	10000	16000	Overhead expenses	2100	2375	Actual output	9,500 Units	9,100 Units													
	Process A	Process B																											
Sundry materials	2000	3000																											
Wages	10000	16000																											
Overhead expenses	2100	2375																											
Actual output	9,500 Units	9,100 Units																											
	Prepare process accounts																												

16

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 48.

Wages per hour - Rs. 3.75

Normal time per piece-20 minutes

Rate per piece-Rs. 1.50

Normal time per piece - 20 minutes

Rate per piece - Rs. 1.50

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

#####