



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIFTH SEMESTER – NOVEMBER 2024

16/17/18UBC5MC01 – COST ACCOUNTING



Date: 07-11-2024

Dept. No.

Max. : 100 Marks

Time: 09:00 am-12:00 pm

SECTION A

Answer ANY FOUR of the following

(4 x 10 = 40 Marks)

1. What are the elements of cost?

2.) 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	

3. Write down the rules for normal wages under Merrick differential piece rate system.

4. 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

5. 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.	

6. Ltd took up two jobs during the 1st week of April 2007. The following details are available

	Job 110	Job 120
	Rs	Rs.
Material supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Material Transfer from Job 120 to 110	200	200
Material returned to stores	-	100

Find the cost of each Job and profit or loss if any, assuming that Job 120 is completed and invoice to the customer at Rs.3, 000.

7. Tony Co. undertook a contract for construction of a private house. Contract price was Rs. 40, 00,000.

The 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.

8. What is cost accounting? Discuss its objectives and advantages.

SECTION B

Answer ANY THREE of the following

(3 x 20 = 60 Marks)

9. The following transactions are recorded in respect of material used in factory during April 2020.

1-Apr	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 order	15 tonnes at Rs. 25
15	Shortage	5 tonnes
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 27th there was a shortage of 8 tonnes.

10. Explain the importance of cost accounting in managerial decision-making.

11. XYZ and Co., has the following balance as on 31.12.2018

Expenses	Production – X Rs.	Depts –X Rs.	Service – P Rs.	Depts – Q Rs.
Indirect wages	4,000	3,000	2,000	5,650
Indirect material	1,800	700	1,020	1,500
Sundry expenses	400	1,000	150	200
Supervision	-	-	14,000	-
Overhead to be apportioned		Total -Rs		
Power		8,000		
Rent		12,000		
Heating		6,000		
Taxes		2,000		
Insurance		1,000		
Depreciation		1,00,000		

Following additional information is available

Depts.	Area space	Boilers	Employees	Investment	HP
X	2,000	45	20	6,40,000	3,500
Y	800	90	10	2,00,000	500
P	400	30	3	10,000	-

Q	1,600	60	5	1,50,000	1,000
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The expense of Q dept. are distributed in the ratio of 5:2:3 to departments X,Y and P. Expenses of P dept. are distributed in the ratio of employees to production departments. Prepare overhead distribution summary.

12. Following data are extracted from the books of Pavan Kishore for the year 2015, prepare a cost sheet

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Direct wages	1,50,000	Direct Materials	5,00,000
Power	2,500	Oil and water	2,500
Store keeper wages	5,000	General Reserve	5,000
Factory rent	25,000	Fore men's salary	12,500
Office rent	12,500	Office lighting	2,500
Repairs (Factory Plant)	17,500	Factory lighting	7,500
Repairs (Office Building)	2,500	Depreciation on factory plant	2,500
Goodwill written off	2,500	Depreciation on office building	6,250
Consumable stores	12,500	Manager's salary	25,000
Director's fees	6,250	Office stationery	2,500
Telephone rent	625	Postage	1,250
Salesman's salary	6,250	Travelling expenses	2,500
Advertising	6,250	Warehouse rent	2,500
Income Tax	50,000	Dividend paid	10,000
Sales	9,47,500		

13. The following information relates to a building contract for Rs.10,00,000

Particular	2015 - Rs	2016 - Rs
Materials issued	3,00,000	84,000
Direct wages	2,30,000	1,05,000
Direct expenses	22,000	10,000
Indirect expenses	6,000	1,400
Work certified	7,50,000	10,00,000
Work uncertified	8,000	-
Materials at site	5,000	7,000
Plant issued	14,000	2,000
Cash received from contractee	6,00,000	10,00,000

The value of the plant at the end of 2015 and 2016 was Rs.7,000 and Rs.5,000 respectively. Prepare (i) Contract account and (ii) Contractee's account for the two year 2015 and 2016 taking into consideration such profit for transfer to profit and loss account as you think proper.

14. What is overhead? How do you classify them? Explain.
