# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI - 600034 

B.Com. DEGREE EXAMINATION - CORPORATE SECRETARYSHIP

FIFTH SEMESTER - APRIL 2022

## UBC 5503 - COST ACCOUNTING

Date: 17-06-2022 $\square$ Max. : 100 Marks
Time: 09:00 AM - 12:00 NOON
Q. No

1 Define the term 'cost'.
2 What are the elements of cost?
3 State any two difference between Bin card and store ledger.
4 What is EOQ?
5 What is quotation?
6 What is contract costing?
7 What is machine hour rate method?
8 Define batch costing.
9 What is overtime?
10 What is labour turnover?

## PART - B

Answer any FOUR questions:
11 Two components X and Y are used as follows
Minimum usages: 50 units per week each
Maximum usages: 150 units per week each
Normal usages: 100 units per week each
Ordering quantities: X-600 units
Y-1,000 units

Delivery period: X-4 to 6 weeks
Y-2 to 4 weeks
Maximum reorder period for emergency purchases
X - 2 weeks; y-2 weeks
Calculate for each component:
(a) Reordering level
(b) Maximum level
(c) Minimum level
(d) Danger level

12 From the following particulars compute the machine hour rate

Cost of the machine
Scrap value
Repairs for the effective working life
Standing charges for 4 weekly period
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.

Rs.11,000
Rs. 680
Rs.1,500
Rs. 40

13 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.

14 R. Ltd took up two jobs during the $1^{\text {st }}$ week of April 2010. The following details are available

|  |  | Job 108 | Job 109 |
| :--- | :---: | :---: | :---: |
| Materials Supplied | 21.000 | 14.000 |  |
| Wages Paid | $9,0006,000$ |  |  |
| Materials Transfer from 109 to 108 | 1,000 | 1,000 | 500 |
| Materials returned to stores | - |  |  |
| Find out the cost of each job |  |  |  |

15. What is the role of Cost Accountant?
(a) From the following particulars find the amount required for cash payment of wages in a factory for the month of January-2014: Wages for normal hours worked-Rs.2, 00,000 Wages for overtime worked-Rs.5, 000 Leave wages-Rs.4, 000 Deduction for employee's state insurance scheme-Rs.3, 000 Employee's contribution to provident fund-Rs.2, 000
(b) Calculate the earnings of 3 Workers A, B, C under Merrick's Multiple Piece rate system, given the following: STD Production per day: 150 Units Normal Piece rate: Rs. 0.50 Per Units Production of Workers on a particular day: A: 120 Units B: 140 Units C: 160 Units.
(c)From the following data given by the personnel department calculate the labour turnover rate by applying? a)Separation Method b)Replacement Method c) Flux Method No. of workers of the payroll At the beginning of the month- 900 At the end of the month- 1100 During the month 10 workers left, 40 persons were discharged and 150 workers were recruited, of these, 25 workers are recruited in the vacancies of those leaving, while rest were engaged for an expansion scheme.

17 What are the Requisites of a good costing system?
PART - C

Answer any TWO questions:

The product of a manufacturing concern passes through three processes. In March 1995, the cost of production was given below:

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

The product of the three processes is dealt with as follows:

| Sent to warehouse for sale | $\mathrm{A}=25 \%$ | $\mathrm{~B}=59 \%$ | $\mathrm{C}=100 \%$ |
| :--- | :--- | :--- | :--- |
| Sent to next process | $\mathrm{A}=75 \%$ | $\mathrm{~B}=50 \%$ | - |

In each process, $6 \%$ of total weight is lost and $8 \%$ is scrap.
Prepare process cost accounts.
19 From the following particulars given below prepare stores ledger a/c FIFO method
Jan 1 Opening stock 1000 units @Rs26 each
5 purchased 500 units @ Rs 24.50 each
7 Issued 750 units
10 purchased 1500 units @Rs 24 each
12 Issued 1100 units
15 Purchased 1000 units @Rs 25 each
17 Issued 500 units
18 Issued 300 units
25 Purchased 1500 units @Rs 26 each
29 Issued 1500 units
13. The John Co., divided into four departments. A, B, C are producing departments and D is service department. The actual costs for a period are as follows:

| Particulars | (Rs.) |
| :--- | :---: |
| Rent | 1,000 |
| Repairs to plant | 600 |
| Depreciation on plant | 450 |
| Employer's liability for Insurance | 150 |
| Supervision | 1,000 |
| Fire insurance in respect of stock | 500 |
| Power | 900 |
| Lighting | 120 |

The following information are available in respect of the e 4 departments.

| Particulars | Dept. A | Dept. B | Dept. C | Dept. D |
| :--- | :--- | :--- | :--- | :--- |
| Area (Sq. meters) | 1,500 | 1,100 | 900 | 500 |
| No. of employees | 20 | 15 | 10 | 5 |
| Total wages (Rs.) | 6,000 | 4,000 | 3,000 | 2,000 |
| Value of plant (Rs.) | 24,000 | 18,000 | 12,000 | 6,000 |
| Value of stock (Rs.) | 15,000 | 9,000 | 6,000 | - |
| H.P. of Plant (kwh) | 24 | 18 | 12 | 6 |

Apportion the costs of the various departments on the most equitable basis.

21 Distinguish between cost accounting and financial accounting

