# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

# VICE DIVINESTRA

### B.Com. DEGREE EXAMINATION - CORPORATE SECRETARYSHIP

### FIFTH SEMESTER - APRIL 2022

### **UBC 5503 - COST ACCOUNTING**

Date: 17-06-2022	Dept. No.	Max. : 100 Marks
Time: 09:00 AM - 12:0	0.000	

### PART - A

Q. No Answer ALL questions (10x 2 = 20 Marks)

- 1 Define the term 'cost'.
- What are the elements of cost?
- 3 State any two difference between Bin card and store ledger.
- 4 What is EOO?
- 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:

 $(4 \times 10 = 40 \text{ Marks})$ 

- 11 Two components X and Y are used as follows

  Minimum useges: 50 units per week each
  - 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 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.

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.

R. Ltd took up two jobs during the 1<sup>st</sup> 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	
Materials returned to stores	-	500	
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?

# **Answer any TWO questions:**

 $(2 \times 20 = 40 \text{ Marks})$ 

18

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	A = 25%	B=59%	C = 100%
Sent to next process	A = 75%	B = 50%	-

In each process, 6% of total weight is lost and 8% is scrap.

Prepare process cost accounts.

- 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
  - 5 purchased 500 units @ Rs 2
  - 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
- 20 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

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