LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

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

FOURTH SEMESTER – **APRIL 2025**

UCO 4501 – COST ACCOUNTING

Date: 24-04-2025 Dept. No. Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

	SECTION A - K1 (CO1)	
	Answer ALL the Questions	**(10 x 1 = 10)**
1.	**Define the following**	
a)	Cost centre	
b)	Piece Rate	
c)	Indirect cost	
d)	Cost sheet	
e)	Job costing	
2.	**Fill in the blanks**	
a)	…….. 'Management by exception' system of Inventory control.	
b)	A system often used when it's difficult to measure output or when quality is more important than quantity……	
c)	The cost driver rate allocates overhead by dividing the cost pool total by the cost driver total in Activity-Based Costing……. system	
d)	…….. is usually based on previous period's costs adjusted.	
e)	The method of costing is widely used in construction works…….	
	SECTION A - K2 (CO1)	
	Answer ALL the Questions	**(10 x 1 = 10)**
3.	**Match the following**	
a)	EOQ - (I) Significant part of prime and total cost.	
b)	Labour Cost - (II) Demand for a product is constant over a period of time	
c)	Methods of absorption - (III) Tallying the profits revealed by both set of accounts.	
d)	Reconciliation - (IV) Number of units which are processed simultaneously.	
e)	Batch costing - (V) Direct labour hour method	
4.	**State True or False**	
a)	When using FIFO, the cost of goods sold is calculated using the cost of the latest inventory purchased.	
b)	Idle time is the unpaid time when the machinery is idle.	
c)	A machine hour rate is calculated by dividing the total cost associated with a machine by the total number of hours it is expected to operate.	
d)	Cost of sales plus profit is value of finished goods.	
e)	Process cost systems are used to apply costs to similar products that are mass-produced.	
	SECTION B - K3 (CO2)	
Answer any TWO of the following.		**(2 x 10 = 20)**
5.	From the following particulars, prepare stores ledger by adopting weighted average method:	

Date	Receipts (Qty @ Rate)	Issues (Qty @ Rate)
Jan 1	300 units @ Rs. 10 per unit	-
Jan 10	200 units @ Rs. 12	
Jan 12	400 units @ Rs. 11	-
Jan 15	-	250 units
Jan 16	-	150 units
Jan 18	200 units @ Rs. 14	-
Jan 20		300 units

	Jan 22	300 units @ Rs. 15	-
	Jan 25	100 units @ Rs. 16	-
	Jan 27	-	200 units
	Jan 31	-	100 units

6. Calculate the earnings of a worker under the following wage incentive schemes:
(A) Halsey Premium Plan
(B) Rowan Scheme
Time allowed = 48 hours
Time taken = 40 hours
Rate per hour = Re. 1

7. Compute cost per running kilometre from the following data of a truck.

Estimated life of vehicle	1,00,000 kms.
Annual running	15,000 kms.
Cost of vehicle	Rs. 25,000
Road license (annual)	Rs. 750
Insurance (annual)	Rs. 700
Garage rent (annual)	Rs. 900
Supervision & Salaries (annual)	Rs. 2,700
Drivers' wages per hour	Rs. 3.00
Cost of fuel per litre	Rs. 3.00
Repairs and maintenance per km.	Rs. 1.75
Tyre allocation per km.	Rs. 0.90

Charge interest at 5% per annum on cost of vehicle. The vehicle runs 20 kms per hour on an average and one litre of fuel gives 20 km

8 Discuss the reason for disagreement between cost records and financial records

SECTION C – K4 (CO3)

Answer any TWO of the following. **(2 x 10 = 20)**

9. Material 'A' used as follows:
Maximum usage per month = 600 units
Minimum usage per month = 400 units
Average usage per month = 450 units
Lead time (Reorder period):
Maximum = 6 months
Minimum = 2 months
Reorder Quantity = 1,500 units
Maximum reorder period for emergency purchases = 1 month
(a) Reorder level (b) Maximum level (c) Minimum level (d) Average stock level (e) Emergency stock level

10. Calculate the earnings of 3 workers A, B and C under 'Merrick's Multiple piece rate system', given the following:
Standard production per day: 150 units
Normal piece rate: Re. 0.50 per unit
Production of workers on a particular day:
A 120 units
B 140 units
C 160 units

11. The following details are furnished by a manufacturer of a product.

Particulars	Amount (Rs.)
Direct materials	75,000
Direct wages	30,000
Machine hours	20,000
Labour hours	50,000

Works overhead	15,000

Calculate the different overhead absorption rates

12. Modern Printers undertook two jobs during the 1st week of June 2007. The following details are available

Particulars	Job 110 (Rs.)	Job 120 (Rs.)
Materials supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Material Transfer (from Job 120 to Job 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 invoiced to the customer at Rs.3000.

SECTION D – K5 (CO4)

Answer any ONE of the following **(1 x 20 = 20)**

13. Draw a stores ledger card recording the following transactions under, A) FIFO and B) LIFO Method.

Date	Particulars	Quantity (Units)
Jan 1	Opening Stock	1,000 @ Rs. 26 each
Jan 5	Purchased	500 @ Rs. 24.50 each
Jan 7	Issued	750 units
Jan 10	Purchased	1,500 @ Rs. 24 each
Jan 12	Issued	1,100 units
Jan 15	Purchased	1,000 @ Rs. 25 each
Jan 17	Issued	500 units
Jan 18	Issued	300 units
Jan 25	Purchased	1,500 @ Rs. 26 each
Jan 29	Issued	1,500 units

14. Whiteman Ltd., has three production departments A, B and C and two service departments X and Y. The following particulars are available for the month of March 2010, concerning the organisation.

Particulars	Amount (Rs.)
Rent	15,000
Municipal taxes	5,000
Electricity	2,400
Indirect wages	6,000
Power	6,000
Depreciation on machinery	40,000
Canteen expenses	30,000
Other labour-related costs	10,000

Department-Wise Details

Particulars	Total	A	B	C	X	Y
Floor Space (Sq. mts.)	5,000	1,000	1,250	1,500	1,000	250
Light Points	240	40	60	80	40	20
Direct Wages (Rs.)	40,000	12,000	8,000	12,000	6,000	2,000
Horse Power of Machines	150	60	30	50	10	-

Cost of Machines (Rs.)	2,00,000	48,000	64,000	80,000	4,000	4,000

The expenses of service departments are to be allocated in the following manner:

	A	B	C	X	Y
X	20%	30%	40%	-	10%
Y	40%	20%	30%	10%	-

You are requested to calculate the total overhead of the three production departments.

SECTION E – K6 (CO5)

Answer any ONE of the following **(1 x 20 = 20)**

15. Prepare a Cost Sheet from the following details obtained from the cost records of Raja Sekhar Ltd., providing the maximum possible breakup of costs and profit.

Particulars	Amount (Rs.)
Stock of raw materials on 1st Dec. 2010	75,000
Stock of raw materials on 31st Dec. 2010	91,500
Direct wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work-in-progress on 1st Dec. 2010	28,000
Work-in-progress on 31st Dec. 2010	35,000
Purchases of raw materials	66,000
Factory rent, rates, and power	15,000
Depreciation of plant and machinery	3,500
Expenses on purchases	1,500
Carriage outwards	2,500
Advertising	3,500
Office rent and taxes	2,500
Traveller's wages and commission	6,500
Stock of finished goods on 1st Dec. 2010	54,000
Stock of finished goods on 31st Dec. 2010	31,000

16. From the following details, you are required to prepare the Contract Account for the year ended on 31.12.2011.

Particulars	Rs.
Materials directly purchased	1,80,000
Materials issued from stores	50,000
Wages	2,44,000
Direct expenses	24,000
Plant purchased	1,60,000
Establishment charges	54,000

The contract price was Rs. 15,00,000, and up to 31.12.2011, Rs. 6,00,000 had been received in cash, representing 80% of work certified. The materials at the site, unconsumed, were valued at Rs. 15,000. The plant was to be depreciated by Rs. 16,000. Prepare the Contract Account.

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