



Reg. No. :

Name :

Third Semester B.Com. Degree Examination, November 2014
Career Related First Degree Programme under CBCSS
Commerce with Computer Application
Core Course – IX
CC 1343 : COST ACCOUNTING
(2013 Admn.)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **all** questions in **one** word to minimum of **two** sentences. **Each** question carries **1** mark.

1. Define cost accounting.
2. What is job costing ?
3. What is EOQ ?
4. Define indirect cost.
5. What is idle time ?
6. What is cost driver ?
7. Define integral accounting.
8. Explain VED analysis.
9. What do you mean by labour turnover ?
10. What is cost sheet ?

(10×1=10 Marks)

P.T.O.



SECTION – B

Answer **any eight** questions in **not** exceeding **one** paragraph. **Each** question carries 4 marks.

1. What are the differences between cost accounting and cost accountancy ?
2. Explain the concept of material control.
3. What is the purpose of time keeping ?
4. Explain the scope of cost accountancy.
15. "High wages may lead to low cost of production" – Explain.
16. What is scrap ? What are the different types of scrap ?
17. What is the difference between cost allocation and cost apportionment ?
18. Explain the concept of independent cost accounting system.
19. Find out the Economic ordering quantity
Annual usage – Rs. 1,20,000
Cost of placing and receiving an order – Rs. 60
Annual carrying cost – 10% of inventory value.
20. Calculate the total earnings of the worker under the Halsey plan
Rate per hour – Rs. 1.50 per hour
Time allowed for job – 20 hours
Time taken – 15 hours
21. Calculate Direct material cost percentage rate :
Production overheads – Rs. 80,000
Direct materials – Rs. 1,60,000

22. Calculate cost of goods sold :

Opening stock of finished goods	Rs. 17,000
Closing stock of finished goods	Rs. 12,000
Cost of production	Rs. 1,15,000

(8×2=16 Marks)

SECTION – C

Answer **any six** questions **not** exceeding **120** words. **Each** question carries **4** marks.

23. Explain the different methods of costing.

24. What are the advantages of perpetual inventory system ?

25. Explain the steps for installing a costing system.

26. What are the different methods of time keeping ?

27. Explain the features of Activity Based Costing.

28. Calculate Machine Hour Rate :

Cost of machine	Rs. 18,700
Estimated scrap value after expiry of its useful- life of 9 years	Rs. 700
Annual running time of the machine	4000 hours
Power consumed by machine	5 units per hour
Rate of power	8 paise per hour
Annual factory expenses	Rs. 9,120

Charge one-sixth of the annual factory expenses to machine.



29. Prepare the cost sheet from the following data :

answe	Opening stock of finished goods	Rs. 9,750
: marl	Closing stock of finished goods	Rs. 11,100
1. W	Raw materials purchased	Rs. 35,250
2. E:	Direct wages	Rs. 18,450
3. W	Factory expenses	Rs. 2,750
4. E:	Selling expenses	Rs. 2,450
5. "F	Office overhead	Rs. 1,850
16. W	Sales	Rs. 75,000
17. W	Sale of scrap	Rs. 250
18. E	Carriage on materials purchased	Rs. 850

30. Calculate the normal and overtime wages payable to a workman from the following data :

Days :	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Hours worked :	8	10	9	11	9	4

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- Normal working Hours – 8 hours day
Normal rate – Rs. 5 per hour
Overtime rate – Upto 9 hours in a day at a single rate and over 9 hours in a day at double rate or, upto 48 hours per week at a single rate and over 48 hours at double rate, whichever is more beneficial to workman.

21. C
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D

31. a) The availability of an imported machinery component is irregular and consequently, the consumption pattern also varies during the year show how should the "re-ordering level" be ascertained for this component ?



b) From the following data for the last twelve months, compute the average stock level for the said component :

Maximum usage in a month 300 Nos.

Minimum usage in a month 200 Nos.

Average usage in a month 225 Nos.

Time lag for procurement of material : Maximum – 6 months,

Minimum – 2 months, Re-ordering quantity – 750 Nos.

(6×4=24 Marks)

SECTION – D

Answer **any two** questions in **not** exceeding **four** pages. **Each** question carries **15** marks.

32. Calculate Economic ordering quantity and total annual inventory cost in respect of the particular raw material.

Annual demand	2400 units
Unit price	Rs. 2.40
Ordering cost per order	Rs. 4.00
Storage cost	2% per annum
Interest rate	10% per annum
Lead time	Half month

33. Calculate the earnings of workers A and B under straight piece-rate system and Taylor's differential piece-rate system from the following particulars :

Normal rate per hour	Rs. 1.80
Standard time per unit	20 seconds

Differentials to be applied :

80% of piece rate below standard

120% of piece rate at or above standard

Worker A produces 1,300 units per day and worker B produces 1,500 units per day.



34. The following data were obtained from the books of M.N. Engineering company for the half year ended 30th September 2012. Prepare a departmental distribution summary.

	Production Departments			Service Departments	
	A	B	C	X	Y
Direct wages (Rs.)	7,000	6,000	5,000	1,000	1,000
Direct materials (Rs.)	3,000	2,500	2,000	1,500	1,000
Employees (Nos)	200	150	150	50	50
Electricity (KWh)	8,000	6,000	6,000	2,000	3,000
Light points (Nos)	10	15	15	5	5
Assets values (Rs.)	50,000	30,000	20,000	10,000	10,000
Area Occupied(Sq. yards)	800	600	600	200	200

The expenses for 6 months were :

Stores overhead	Rs. 400	Depreciation	Rs. 6,000
Motive power	Rs. 1,500	Repairs	Rs. 1,200
Electricity lighting	Rs. 200	General overheads	Rs. 10,000
Labour welfare	Rs. 3,000	Rent and taxes	Rs. 600

Apportion the expenses of Department X in the ratio of 4 : 3 : 3 and that of Department Y in proportion to direct wages, to Department A, B and C respectively.

35. The following extract of costing information relates to commodity A for the year ended 31st December 2012.

Purchases – Raw materials	Rs. 60,000
Direct wages	50,000
Rent, rates, insurance and works on cost	20,000



Carriage inward	1,000
Stock on 1 st January 2012 : Raw materials	10,000
Finished products – 200 tons	8,000
Stock on 31 st December 2012 : Raw materials	11,000
Finished products – 4000 tons	
Stock on 1 st January 2012 : Work-in-progress	2,400
Stock on 31 st December 2012 : Work-in-progress	8,000
Cost of factory supervision	4,000
Sale of finished products	1,50,000

Advertising discount allowed and selling costs Re. 0.40 per ton sold. 32,000 tons of the commodity were produced during the period.

Ascertain :

- a) the cost of the output of the period and cost per tons of production.
- b) The net profit per ton of the commodity.

(2x15=30 Marks)
