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Reg. No. : .....

Name : .....

Fifth Semester B.Com. Degree Examination, February 2021

First Degree Programme Under CBCSS

Core Course : CO 1542/CC 1542/CX 1542/HM 1542/TT 1542

COST ACCOUNTING

(2018 Admn – Regular)

(Common for Commerce/Commerce with Computer Application/Commerce and Tax Procedure and Practice/Commerce and Hotel management and Catering/Commerce and Tourism and Travel management)

Time : 3 Hours Max. Marks : 80

SECTION – A

(Answer **all** questions. Each question carries **1** mark).

1. What are factory overheads?
2. What is ABC analysis?
3. What is perpetual inventory system?
4. What is process costing?
5. Define cost centre.
6. What is machine hour rate?
7. What is batch costing?

P.T.O.

8. What is piece wage system?

9. What is stock velocity?

10. Define costing.

(10 × 1 = 10 Ma

SECTION – B

(Answer **any eight** questions. Each question carries **2** marks)

11. What is job costing?

12. What are semi-variable costs? Give an example

13. What is opportunity cost?

14. State the importance of cost classification.

15. What are overheads?

16. What is absorption of overheads?

17. What are the objectives of material control?

18. What is bin card?

19. Define cost unit.

20. What is danger level?

21. Who are casual workers?

22. What is under absorption?

23. What is Job card?

24. What is works cost?

25. What is JTT inventory technique?

26. How power expenses are apportioned?

(8 × 2 = 16 Marks)

SECTION – C

(Answer **any six** questions. Each question carries **4** marks)

27. What are the functions of a store keeper?

28. Distinguish between bin card and stores ledger.

29. What are the bases of apportionment of overheads?

30. Differentiate absorption from apportionment.

31. Explain the steps in purchase procedure.

32. Distinguish between cost accounting and financial accounting.

33. Calculate re-order level and maximum level from the following data

    Time lag for procurement of materials: Maximum 6 months, Minimum -4 months

    Maximum usage - 75 units

    Minimum usage 25 units

    Re-order quantity - 300 units

34. Calculate machine hour rate from the following

    Cost of machine - Rs. 19,200

    Estimated Scrap value - Rs 1,200

    Average repair and maintenance charges per month – Rs. 150

    Standing charges allocated to machine per month Rs. 50

    Effective working life of machine 10000 hours

    Running time per month -166 hours

    Power used by machine: 5 units per hour @ 19 paise per Unit

35. Calculate total earnings and effective rate of earnings per hour under Rowan Plan from the following.

The standard time - 10 hours, Actual hours taken -8 hours, Wage rate per hour – Rs. 5.

36. Calculate EOQ from the following data

Annual usage- 5000 units

Cost of material per unit – Rs. 20

Cost of placing an order – Rs. 50

Annual carrying cost of per unit- 10% of inventory value

37. The standard time for a job is 10 hours. Actual hours taken are 8. Wage rate per hour is Rs. 5. Calculate earnings and effective rate of earnings per hour under Halsey plan.

38. From the following transactions, calculate the closing balance of materials in units and value by using LIFO method.

Opening balance 100 units @ Rs. 10 per unit

Issued 60 units

Received 120 units @ 10.10 per unit

Issued 50 units (stock verification reveals a loss of 2 units

Received back from order 20 units (originally issued @ Rs. 9.90 per unit)

Issued 80 units

Received 44 units @ Rs. 10.20 per unit

Issued 66 units

(6 × 4 = 24 Marks)

SECTION – D

(Answer **any two** questions. Each question carries **15** marks)

39. Explain the advantages of cost accounting.

40. Discuss the important techniques of material control.

41. Explain the classification of overheads.

42. The cost accounts of a firm reveals the following details:

Raw material consumed	20,000
Direct wages	18,000
Total machine hours	3,000
Machine hour rate	Rs. 2
Office overhead	10% of works cost
Selling overhead	Rs. 2:50 per unit
Units produced	5,000
Units sold	4,600 @ 30 each

Prepare a cost sheet from the above data showing cost per unit and profit for the period

43. X Ltd has three production departments A, B and C and two service departments D and E. The overhead expenses incurred during the year 2019 are as follows:

Rent	10,800
Depreciation of Building	54,000
Depreciation of other assets	42,000
Insurance of building	9,600
Insurance of plant	8,400
Rates and taxes	3,000
Lighting	12,800
Power	16,500
Stores overhead	5,400
Subsidy to canteen	15,600

Apportion the costs to departments after taking into account the following further data:

Items	A	B	C	D	E
Area (Sq Ft)	3000	4000	4000	2000	2000
Number of Employees	80	110	60	30	20
Value of assets other than building	150000	190000	180000	100000	80000
Number of light points	15	10	7	5	3
Horse power of machines	400	300	200	200	–
Value of material consumed	90000	80000	60000	–	40000

44. Prepare a Stores Ledger account for the following transactions on the basis of FIFO method

Jan 1	Opening balance 10 units @ Rs. 30
Jan 10	Purchased 10 units @33
Jan 12	Issued 10 units
Jan 31 Closing balance	10 units
Feb 3	Purchased 10 units @36
Feb 12	Issued 10 units
Feb 28	Purchased 10 units @40

Sales during the two months amounted to Rs. 1,050.

(2 × 15 = 30 Marks)
