

B.Com. (CBCS) DEGREE EXAMINATION, APRIL 2023.

Fifth Semester

Commerce – Core

COST ACCOUNTING

(For those who joined in July 2020 onwards)

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer:

- 1. All the indirect costs are collectively called as _____
 (a) Direct (b) Indirect
 (c) Overhead (d) Variable
- 2. An example of fixed cost _____
 (a) Depreciation (b) Material cost
 (c) Labour cost (d) Staff salary

- 3. In _____ level a new order for material is placed.
 (a) Minimum (b) Maximum
 (c) Reorder (d) Danger
- 4. Determination of ordering level is meant for _____
 (a) Material (b) Labour
 (c) Overhead (d) Expenses
- 5. Under _____ method a new issue price is determined after each purchases.
 (a) LIFO (b) FIFO
 (c) Weighted average (d) Standard cost
- 6. Under _____ both time rate and piece rate systems are blended for wages payment.
 (a) Time rate system (b) Piece rate system
 (c) Incentive scheme (d) None
- 7. Under _____ method both the worker left and replaced during the period are considered.
 (a) Separation method
 (b) Replace method
 (c) Flux method
 (d) Comprehensive method

- 8. The time for which the employer pays, but from which he obtains no production is known as _____
 (a) Time card (b) Job card
 (c) Idle time (d) Time booking
- 9. If contract have completed more than 25 percent but less than 50 percent _____ of notional profit transferred to profit and loss account.
 (a) Nothing (b) 1/3
 (c) 2/3 (d) 1/4
- 10. _____ helps the contractor to compensate the price variance of material, labour etc, during contract period.
 (a) Cost plus contract
 (b) Escalation clause
 (c) Incomplete contract
 (d) All

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b). Each answer should not exceed 250 words.

- 11. (a) Brief about the Elements of cost.
 Or

(b) Ascertain prime cost, works cost and cost of production from the under mentioned figures:

Factory expenses	30,000
Administrative expenses	20,000
Labour	25,000
Materials	35,000
Selling expenses	10,000

- 12. (a) Point out the Methods of valuing material issue.

Or

- (b) From the particulars given below write up the stores ledger card:
 2007, Jan. 1 1,000 units at
 Opening stock Rs.26 each
 5 purchased 500 units at Rs.24.50 each
 7 issued 750 units
 10 purchased 1,500 units at Rs.24 each
 12 issued 1,100 units
 15 purchased 1,000 units at Rs.25 each
 Adopt the FIFO method of issue and ascertain the value of closing stock.

13. (a) Give the meaning and definition of Overhead.

Or

- (b) Calculate labour turnover rate from the following particulars:

Number of workers at the beginning	200
Number of at the end	240
Number of resigned	20
Number of discharges	5
Number of replacements	18

14. (a) What is meant by abnormal loss?

Or

- (b) Find the cost per unit of output of a process account from the following:

Materials (500 units)	Rs. 10,000
Labour	8,000
Indirect expenses	7,000
Normal loss	5% of input
Scrap value	Rs.31 per unit

15. (a) Write a short note on contract accounting.

Or

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- (b) A transport service company is running four busses between two towns which are 50 kms apart. Seating capacity of each bus is 40 passengers. Actual passengers carried were 75% of the seating capacity. All the four buses ran on all the days of the month April, 2021. Each bus made one round trip per day. Calculate total kms. And total passenger kms. For the month.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b)
Each answer should not exceed 600 words.

16. (a) Discuss that Costing as an aid to management.

Or

- (b) Prepare cost sheet from the following:

Direct Material	10,000
Direct Labour	4,000
Direct Expenses	500
Factory expenses	1,500
Administration Expenses	1,000
Selling Expenses	300
Sales	20,000

17. (a) Explain the methods of material issues.

Or

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- (b) Compute the various stock levels from the following data:

Normal consumption	300 units per day
Maximum consumption	420 units per day
Minimum consumption	240 units per day
Re-order period	10 to 15 days
Normal Re-order period	12 days
Re-order quantity	3600 units

18. (a) Difference between allocation and absorption of overhead.

Or

- (b) Calculate labour turnover rate from the following particulars:

No. of workers at the beginning	8000
No. of workers at the end	10000
No. of Separation	1500
No. of Replacement	1200

19. (a) Describe about the treatment Wastage and scrap in process costing.

Or

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- (b) A product requires three distinct processes and after third process, the product transferred to finished stock. Prepare process accounts from the following information:

Items	Process 1	Process 2	Process 3
Direct material	3,000	1,500	1,000
Direct wages	2,500	2,000	2,500
Direct expenses	500	100	500

The overhead expenses for the period Rs. 1,400 were apportioned to the process accounts on the basis of wages. Production during the period was 500 units.

20. (a) Explain the Features of contract costing.

Or

- (b) From the details given below find out the profit as per financial accounts:

Profit as per cost accounts	1,40,000
Factor overhead under charged in cost accounts	3,000
Admin OH under charged in financial accounts	1,000
Depreciation over charged in cost accounts	2,000
Income received for share transfer	150
Interest on investment received	1,000
Provision made for income tax	40,000

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