

Reg. No. :

Code No. : 12047 E

Sub. Code : AMCO 52

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

Fifth Semester

Commerce – Core

COST ACCOUNTING

(For those who joined in July 2020 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The prime object of cost accounting is to

(a) Cost control

(b) Cost unit

(c) Cost center

(d) Indirect cost



2. The technique and process of ascertaining cost is known as _____
- (a) Cost (b) Cost accounting
(c) Costing (d) Expense
3. Under the ABC technique, A stands for _____
- (a) High value (b) Low value
(c) Medium value (d) No value
4. Stocks are issued against _____ requisition form.
- (a) Stores requisition
(b) Stock requisition
(c) Material requisition
(d) Demand requisition
5. Under _____ method the workers are paid based on time spent by them.
- (a) Time rate system
(b) Piece rate system
(c) Incentive scheme
(d) None

6. Time not spent on production work is called as _____
- (a) Idle time (b) Working time
(c) Leisure time (d) Over time
7. A form of operation costing used to ascertain the cost of the product at each stage of manufacture is _____
- (a) Job costing (b) Batch costing
(c) Contract costing (d) Process costing
8. If the actual loss is lower than the anticipated loss is _____
- (a) Normal loss (b) Abnormal loss
(c) Normal gain (d) Abnormal gain
9. Service costing otherwise called as _____
- (a) Operation costing (b) Operating costing
(c) Running costing (d) Output costing
10. The need of reconciliation between cost and financial accounting arises in _____ accounting system.
- (a) Integrated (b) Non - integrated
(c) Integral (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) Give the meaning of and definition of Cost accounting.

Or

- (b) Prepare cost sheet:

Raw material used	Rs. 60,000
Wages	Rs. 15,000
Works expenses	100% wages
Office expenses	25% of works cost
Selling overhead	10% of cost of production

12. (a) What do you mean by ABC analysis?

Or

- (b) Compute EOQ from the following:

Annual consumption of materials	6,000 units
Ordering cost	Rs. 60 per order
Price per unit	Rs. 20
Carrying cost per annum	10%

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13. (a) Write a note on idle time.

Or

- (b) Calculate time rate and piece wages system.

Production	44 hours in time
A	100 units
B	140 units
Time rate	Rs. 2.50 per hour
Piece rate	Re. 1 per unit

14. (a) State about Process costing.

Or

- (b) Ascertain number of units of abnormal loss from the following:

Input of material	1,000 units
Normal loss	10%
Output	800 units

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15. (a) When Reconciliation between cost and financial accounts made?

Or

- (b) From the following details, you are required to calculate profit that can be reasonably credited to profit and loss account.

Notional profit	Rs. 84,000
Cash received	Rs. 4,30,000
Work certified	Rs. 5,00,000
Contract price	Rs. 7,00,000

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the various types of cost.

Or

- (b) For the end of three months, as at the end of 31st Dec 2013, the following are the particulars of a manufacturing concern producing electric fans:

Finished goods(1-10-2013)	NIL
Finished goods (31-12-2013)	Rs. 20,250

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Materials (1-10-2013)	Rs. 5,000
Materials (31-12-2013)	Rs. 3,500
Factory Wages	Rs. 75,000
Direct Wages	Rs. 12,500
Materials Purchased	Rs. 32,500
Sales	Rs. 1,12,500

3,000 fans were manufactured during the three months. With the help of the above particulars, determine the cost per unit and the quotation price for 750 fans. The percentage of profit to be taken is the same as earned during the three months.

17. (a) Describe about various stock levels.

Or

- (b) From the following information, prepare a stores ledger account under FIFO method.

1.1.96	Opening Stock 1000 units at Rs. 5 each
5.1.96	Purchased 900 units at Rs. 6 each
10.1.96	Issued 1200 units
12.1.96	Purchased 800 units at Rs. 6.20 each
15.1.96	Purchased 300 units at Rs. 6.40 each
19.1.96	Issued 400 units
22.1.96	Issued 600 units
27.1.96	Purchased 200 units at Rs. 6.50 each
31.1.96	issued 600 units

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18. (a) Write about the Basic systems of wage payment.

Or

- (b) The following data were obtained from the books of a company for the half year ended 30th June 2005.

Particulars	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 (No.)	200	150	150	50	50
Electricity (kWh)	8,000	6,000	6,000	2,000	3,000
Light points(No)	10	15	15	5	5
Assets value (Rs.)	50,000	30,000	20,000	10,000	10,000
Area occupied (Sq.m)	800	600	600	200	200

The expenses for six months were: Stores overheads Rs. 400; motive power Rs. 1,500; Electric light Rs. 200; Labour welfare Rs. 3,000; Depreciation Rs. 6000; Repairs and maintenance Rs. 1,200; general overheads Rs. 10,000; Rent and taxes Rs. 600. Prepare a primary distribution table for the departments.

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19. (a) List down the features of process costing.

Or

- (b) Mr. Ram produces the product 'Tom' which goes through three distinct processes. The following information is available from his accounts:

Items	Process I	Process II	Process III
Direct materials	10,000	6,000	4,000
Direct wages	4,000	2,000	2,000
Direct expenses	8,000	4,000	2,000
Indirect expenses	4,000	2,000	2,000

You are required to prepare process accounts.

20. (a) Write down the advantages of service costing.

Or

- (b) S.V. construction Ltd. Has The value of the contract is Rs. 12 lacs and the work commenced on 1st October 2020. The following details are shown in their books for the year ended 30th September 2021:

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Plant purchased	60,000
Wages paid	3,40,000
Material issued to site	3,36,000
Site expenses	8,000
General overhead apportioned	32,000
Wages accrued at the end	2,800
Material at site at the end	4,000
Direct expenses accrued at the end	1,200
Work not yet certified at cost	14,000
Cash received	80% of work certified 6,00,000
Life of plant purchased	5 years
Scrap value of plant	Nil

Prepare contract account for the year ended
30-09-2021.
