B.COM DEGREE EXAMINATION- october-2016
SEMESTER   V   COMMERCE
COM5CA   Cost Accounting

TIME : 3 HOURS   **MARKS : 80**

SECTION- A
Answer all questions.
Each question carries 1 Marks

1.   What is a material requisition?
2.   .What is VED Analysis?
3.   Define direct labour?
4.   .What is idle time?
5.   .Define the term overheads?
6.   .Define Scrap?
7.   .What is cost sheet?
8.   What is costing ?
9.   What is memorandum reconciliation account?
10. Define chargeable expenses?

(10 X 1 =10)

SECTION- B
Answer any eight questions.
Each question carries 2 Marks

11 .Explain the term time booking. What are its objectives?
12. Discuss the effects of labour turnover.
13 .Mention any four advantages of Cost Accounting.
14. Write short note on cost allocation and cost apportionment.
15. What is MHR?
16. What do you mean by absorption of overheads?
17. Distinguish the difference between bin card and stores ledger
18. What is cost centre ? and list the various cost centre
19. What are the functions of the stores department
20. What is ABC analysis

21. Following information is available in respect of a particular type of material.
        Annual demand=3500 units
        Cost per unit = Rs. 3.6
        Ordering cost per order = Rs.5
        Storage cost = 3% p.a
        Interest rate = 10% p.a
        Lead time = ½ months
        Calculate EOQ.

22.. Standard time allowed for a job is 50 hours and the rate per hour is Rs 10 plus a DA

@ 5 Rs per hour worked. Actual time taken by a worker is 40 hours.
Calculate earnings under
(a)Time wage system   (b)Piece wage system   (c)Halsey plan   (d)Rowan scheme

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(8 X 2 =16)

SECTION- C
Answer any SIX questions.
Each question carries 4 Marks

23. Briefly discuss the function-wise classification of overheads.

24.What are the objectives of cost accounting ?

25.Briefly explain the various techniques of costing

26..Explain spoilage and defectives and its Accounting Treatment

27. Two materials A and B are used as follows ;
Minimum usage = 50 units per week
Maximum usage = 150 units per week
Normal usage = 100 units per week
    Reorder quantity
A =600   B=1000
Reorder period
A = 4 to 6 weeks   B=2 to 4 weeks
Calculate Reorder level, Minimum level, Maximum level, Average level

28..On the basis of the following information, calculate the earnings of workers X and Y on –
        (1).Straight piece basis   (2).Taylor's differential piece rate system
Standard production   = 8 units per hour
Normal time rate   = Rs. 4 per hour
Differentials to be applied-
        a)80% of piece rate below standard
        b)120% of piece rate at or above standard
In a 9 hour day ,X produced 54 units and Y produced 75 units.

29.. From the following particulars applicable to a work process, calculate the wages of the
workers under Gant task and bonus plan.
Time rate = Rs 5 per hour
High task= 40 units per week
Piece rate above high task = 6.5 per unit
In a 40 hour week, each of the following workers produced the following;
        A = 35 units   B= 40 units   C=41 units   D=52 units

30.The following information has been obtained from the costing records of Saraswathy Ltd. For the month
of July 2015:-

	1 July 2015	31 July 2015
Cost of raw material	7,500	9,000

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Cost of work-in-progress	3,500	4,000
Cost of finished goods in stock	14,000	17,000
Manufacturing wages		19,000
Manufacturing Expenses (factory OH)		9,000
Office expenses		6,000
Purchase of raw material		60,000
Selling and distribution expenses		4,000
Sales		1,10,000

Prepare a cost sheet showing total cost and profit for the month of July 2015.

31.... From the data given below, calculate machine hour rate.

	Per annum
Rent of the department(space occupied by machine is 1/5 of department)	780
Lighting(number of lights in department 12, two lights are engaged in the machine)	288
Insurance	36
Cotton waste,oil etc	60
Salary of foreman(1/4th of foreman's time is occupied by this machine)	6000

The cost of machine is Rs 9200 and it has an estimated scrap of 200. It is ascertained from past experience that;
- The machine will work for 1800 hrs per annum
- It will incur expenditure of Rs 1125 in respect of repairs and maintainance during whole period of life
- It consumes 5 units of power per hour at the cost of RS 1 per unit
- Working life of machine will be 10 yrs

(6 X 4 = 24)

SECTION- D

**Answer any TWO questions.
Each question carries   15 Marks**

32.The following particulars relate to Alpha Manufacturing Company which has 3 production departments A, B and C and 2 service departments D and E.

	DEPARTMENTS				
	A	B	C	D	E
Total overheads as per primary distribution summary	6300	7400	2800	4500	2000

The expenses of service departments are charged out on a percentage basis as follows:

	A	B	C	D	E
D	40%	30%	20%	---	10%
E	30%	30%	20%	20%	---

Prepare a statement showing the apportionment of 2 service departments expenses to production departments by Simultaneous equation method.

33. The cost books of Superior company Ltd show net profit of 86,200 . From the following additional information, you are required to reconcile the cost accounts and financial accounts.

Works OH under-recovered in cost books	-	1,560
Office OH over-recovered in cost books	-	850
Depreciation charged in financial books	-	5,600
Depreciation recovered in cost books	-	6,250
Interest on investments not included in cost books	-	4,000
Loss due to obsolescence charged in financial books	-	2,850
Income tax provided in financial books	-	20,150
Bank interest & transfer fee credited in financial a/c	-	375
Stores adjustment credited in financial books	-	237
Value of opening stock in cost books	-	24,800
Value of opening stock in financial books	-	26,300
Value of closing stock in cost books	-	25,000
Value of closing stock in financial books	-	23,000
Interest charged in financial books	-	2,000
Goodwill written off	-	5,000
Loss on sale of furniture	-	600

34. With the help of the following information, prepare the stores ledger card based on the weighted average method of pricing issues:

September 1 - Opening balance 24,000 kg at Rs.7,500 per tonne

1 - Purchase 44,000 kg at Rs.7,600 per tonne

1 - Issue 1,000 kg.

5 - Issue 16,000 kg.

12 - Issue 24,000 kg

13 - Purchase 10,000 kg. At Rs.7,800 per tonne

18 - Issue 24,000 kg

22 - Purchase 50,000 kg at Rs.8,000 per tonne

28 - Issue 30,000 kg

30 - Issue 22,000 kg

35. Distingush between cost accounting and financial accounting?

(2 x 15 = 30)