

TB165170F

Reg. No.....

Name.....

B. COM. DEGREE (C.B.C.S.S) EXAMINATION, JANUARY 2019
(2016 Admission Supplementary)
SEMESTER V – CORE COURSE (COMMERCE)
CO5B19B - COST ACCOUNTING

Time: Three Hours

Maximum Marks: 80

PART A

I. Answer all questions. Each question carries 1 mark.

1. What is reorder stock level?
2. What is a Cost Centre?
3. What is Job enrichment?
4. Define overheads
5. What is a cost sheet?
6. What is Profit Centre?

(6 x 1= 6)

PART B

II. Answer any seven questions. Each question carries 2 marks.

7. Distinguish between Centralised and Decentralised purchasing
8. What do you mean by VED Analysis?
9. Define EOQ. How it is determined?
10. Time taken by a worker for completing a job is 40 hrs. Time allowed for completion is 50hrs. Time rate is Rs.10 per hour. Calculate the earnings of the worker.
11. What is job evaluation?
12. Distinguish between cost allocation and cost apportionment.
13. What is meant by departmentalization of overheads?
14. What are the limitations of cost accounting?
15. Draw a format of a simple cost sheet
16. What is a memorandum reconciliation account?

(7 x 2=14)

PART C

III. Answer any five questions. Each question carries 6 marks.

17. Calculate EOQ and total annual inventory cost of the material
Following information available in respect of a particular type of material:
Annual demand 3500 units
Cost per unit Rs.3.60
Ordering cost per order Rs.5
Storage cost 3% per annum
Interest rate 10% per annum

Lead time 1/2 month

18. What is Labour turnover? Explain the causes of Labour turnover.
19. Explain the advantages and disadvantages of cost accounting.
20. Explain a) minimum stock b) maximum stock level c) reorder level d) average stock level
21. Shone Industries Ltd has three production departments X, Y and Z and five service departments. The following are details of primary distribution summary for the month of January, 2015.

Production departments:	X-Rs.50,000
	Y-Rs.35,000
	Z-Rs.15,000
Service departments:	Canteen Rs. 6,000
	Time keeping Rs.4,500
	Accounts Rs.7,500
	Stores Rs.2,000
	Power Rs.5,000

The following details are available in respect of the production departments.

	Dept X	Dept Y	Dept Z
Number of workers	16	8	6
Horse power of machines	60	40	25
Number of stores requisitions	250	100	50

- Apportion the costs to service department to production departments
22. Explain under and over absorption of overheads
 23. Calculate cost of sales from the following:
 - Prime cost Rs.15,000
 - Works overheads 20% on prime cost
 - Administration overhead -10% on works cost
 - Selling overhead- 5% on cost of production
 24. Explain the components of a cost sheet

PART D

(5 X 6 = 30)

IV. Answer any two questions. Each question carries 15 marks

25. A company has three production departments and two service departments. The distribution summary of factory overheads is as follows:

Production departments:

X- Rs.80,000

Y- Rs.70,000

Z- Rs.50,000

Service departments

P- Rs.23,400

Q- Rs.30,000

The expenses of service departments are charged to production departments on the basis of services rendered as follows:

	X	Y	Z	P	Q
Dept P	20%	40%	30%	---	10%
Dept Q	40%	20%	20%	20%	---

Apportion the expenses of service departments to production departments by simultaneous equation method.

26. Compute the machine hour rate for a machine for the month of January, 2015
From the following particulars

	Per Annum (Rs)
Rent and rates (1/4th space is occupied by the machine)	24000
Lighting (10 workers are working in the department, out of them 4 are working in this machine)	3000
Supervisor's salary (1/3 of time is devoted to the machine)	36,000
Insurance	1,000
Lubricants, cotton waste etc for the machine	600

The cost of the machine is Rs.1,60,000 and it has a scrap value of Rs.1,000 after its life time of 10 years.

The machine works 20,000 hours during its life time. The estimated repairs charged during life time is Rs.10,000.

The machine consumed 4 units of power per hour at the rate of 60 paise per unit.

27. "Costing is an aid to management". Discuss the main points to support this statement
28. The following figures are available from the books of MN Associates for the year ended 31st December 2014.

	Financial A/C (Rs.)	Cost A/C (Rs.)
Stock on 1st January 2014:		
Raw materials	12,000	10,000
Work In progress	14,000	13,000
Finished goods	10,000	9,000
Stock on 31st December 2014:		
Raw materials	8,000	9,600
Work In progress	6,000	7,400
Finished goods	11,800	12,400
Purchases	80,000	
Direct wages	40,000	
Indirect wages	6,000	
Other factory expenses	34,000	42,000
Administration expenses	6,000	4,600
Selling expenses	8,000	9,000
Financial expenses	2,000	
Dividend received	3,200	

Sales	220,000
Net profit	37,000

Prepare a cost sheet and reconcile costing profit with financial books

(2 x 15 = 30)