

TB155170A

Reg. No.....

Name.....

**B. COM. DEGREE (C.B.C.S.S) EXAMINATION, OCTOBER 2017
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 Costing?
2. Define Cost Centre.
3. What is bin card?
4. What is labour turnover?
5. What is allocation of overheads?
6. Define cost sheet.

(6x1=6)**PART B****II. Answer any seven questions. Each question carries 2 marks.**

7. Distinguish between cost accounting and financial accounting.
8. What is prime cost?
9. What is perpetual inventory system?
10. What is centralized purchasing?
11. What is normal idle time?
12. State any two demerits of time rate system.
13. What is secondary distribution of overheads?
14. Distinguish between cost control and cost reduction.
15. What are the reasons for disagreement in costing profit and financial profit?
16. Calculate EOQ from the following information. Also calculate the number of orders to be placed in a year:

Annual consumption	10,000 kg
Cost of placing an order	Rs. 50
Cost per Kg. of material	Rs. 2
Storage cost	8 % on average inventory

(7x2=14)**PART C****III. Answer any five questions. Each question carries 6 marks.**

17. Distinguish between scrap and spoilage.
18. Explain the differences between time keeping and time booking.
19. 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.

20. Two materials A and B are used as follows:
- | | | |
|-------------------|-------------------------|------------------|
| Minimum usage | 50 units per week each | |
| Maximum usage | 150 units per week each | |
| Normal usage | 100 units per week each | |
| Re-order quantity | A – 600 units | B – 1,000 units |
| Re-order period | A – 4 to 6 weeks | B – 2 to 4 weeks |
- Calculate – a. Reorder level b. Minimum level c. Maximum level d. Average level

21. Enter the following transactions in the stores ledger of X Ltd pricing the materials by FIFO methods. Show the balance of inventory after each transaction.
2014 April

1. Balance 50 units at 50 paise per unit
 2. Ordered 200 units purchase order 55 expected June 10
 3. Issued 25 units, requisition No. 100 to Department A
 4. Ordered 100 units purchase order 65 expected June 20
 5. Received 200 units at 30 paise per unit Purchase order No. 60
 7. Issued 150 units Requisition No. 105
 8. Returned to stock room 10 units from Department A, Requisition No. 100
 10. Received 75 units at 75 paise per unit Purchase order 65
 12. Ordered 100 units Purchase order 77 expected June 30
 15. Issued 160 units Requisition No. 125
 18. Received 25 units balance of Purchase order 65 at 75 paise per unit
 21. Issued 5 units Requisition No. 130 to Department B
 23. Returned to vendor 15 units from Purchase order 65 received on April 18
 25. Received 100 units Purchase order 77 at 50 paise per unit
22. Define responsibility centre. Explain the different types of responsibility centres.
23. Explain the various selective inventory control techniques
24. The following are the figures relating to the production of a commodity for the month of January 2011.

	1.1.2011	31.12.2011
Stock of raw material	75,000	50,000
Work in progress	5,000	3,000
Stock of finished goods	75,000	53,000
Transactions during the month were -		
Purchase of raw materials	Rs. 10,000	
Direct wages	Rs. 5,000	
Works overheads	Rs. 2,000	
Administration overheads	Rs. 3,000	
Selling and distribution overheads	Rs. 2,000	
Sales	Rs. 1,77,000	

Prepare a Cost sheet showing cost of production and profit.