



Reg. No. :

Name :

**Third Semester B.Com. Degree Examination, December 2013
(Career Related First Degree Programme Under CBCSS)
Group 2 (b) : Commerce with Computer Application
Core Course IX – CC1343 : COST ACCOUNTING**

Time : 3 Hours

Max. Weightage : 30

SECTION – A

This Section consists of **four** bunches of **four** questions **each**. **Each** bunch carries a weightage of **one**.

I. Answer **all** questions.

A) Choose the most appropriate answer from the following.

1) Works cost includes

- | | |
|---------------------|-------------------|
| a) Direct Costs | b) Indirect Costs |
| c) Both (a) and (b) | d) None of these |

2) If profit on sales is 20%, profit on cost is

- | | |
|--------|--------|
| a) 20% | b) 30% |
| c) 40% | d) 25% |

3) Consumable stores is

- a) Distribution overhead
- b) Works overhead
- c) Administration overhead
- d) None of these

- 4) Cost sheet is a
- a) Budget
 - b) Report
 - c) Statement
 - d) None of these
- B) 5) Minimum stock level is also called
- a) average stock level
 - b) safety stock level
 - c) danger level
 - d) all of these
- 6) Time lag between indenting and receiving material is
- a) Re-order period
 - b) Average period
 - c) Lead time
 - d) None of these
- 7) EOQ is calculated to minimize
- a) ordering cost
 - b) carrying cost
 - c) both (a) and (b)
 - d) none of these
- 8) VED analysis is used primarily to control
- a) Lubricants
 - b) Spare parts
 - c) Oil and waste
 - d) All of these
- C) 9) Stores ledger is kept by the
- a) Foreman
 - b) Costing Dept
 - c) Cashier
 - d) Storekeeper
- 10) Labour turn over is calculated by
- a) Flux method
 - b) Separation method
 - c) Replacement method
 - d) All of these

11) Following are the service Dept. except one

- a) Maintenance
- b) Pay roll
- c) Spinning
- d) Power House

12) Depreciation is a

- a) Standing Charge
- b) Machine expense
- c) Fixed Charge
- d) None of these

D) Match the following :

A

- 13) ABC Analysis
- 14) Power expenses
- 15) Bin card
- 16) Dial Time Records

B

- a) Cashier
- b) Time keeping
- c) Inventory control
- d) Store keeper
- e) Fixed charges
- f) Variable expenses (4x1=4 Weight)

SECTION – B

II. Answer **any eight** questions. **Each** question carries a weightage of 1.

- 17) What is cost centre ?
- 18) What is cost of goods sold ?
- 19) Explain purchase order.
- 20) What do you mean by perpetual inventory ?
- 21) Give two examples of fringe benefits.
- 22) What is labour flux rate ?
- 23) How will you calculate Minimum Stock Level ?

- 24) What are machine expenses ?
- 25) What do you mean by combined time and job card ?
- 26) What is time booking ?
- 27) What do you mean by apportionment ?
- 28) What is reconciliation ?

(8×1=8 Weight)

SECTION – C

III. Answer **any five** questions. **Each** question carries a **weightage** of 2.

- 29) What are the differences between cost accounting and financial accounting ?
- 30) What are the importances of cost Accounting ?
- 31) What is abnormal Idle Time ? How do you treat the cost of Abnormal Idle Time ?
- 32) From the following particulars calculate EOQ:
- Annual usage : 6,000 units
- Cost of materials per unit : Rs. 200
- Cost of placing and receiving one order : Rs. 600
- Annual carrying cost of one unit : 10% of inventory value.
- 33) The stock of material A as on 1st January 2006 is 500 units at Rs. 10 per unit. Following purchases and issues of this item were made subsequently.

| | Receipts | Rate | Issue |
|---------|-------------|------|-------------|
| | Qty (units) | Rs. | Qty (units) |
| Jan, 6 | — | — | 200 |
| Jan, 10 | 400 | 11 | — |



| | | | |
|---------|-----|----|-----|
| Jan, 15 | 300 | 12 | - |
| Jan, 20 | - | - | 500 |
| Jan, 21 | - | - | 200 |
| Jan, 24 | 500 | 13 | - |
| Jan, 25 | - | - | 300 |
| Jan, 28 | - | - | 200 |

Prepare Stores Ledger Account showing how the value of the above issues should be arrived at under LIFO.

- 34) From the following prepare a statement reconciling costing and financial loss.

Net loss as per cost book Rs. 1,72,400

Net loss as per financial books Rs. 2,16,045

Works overhead under recovered Rs. 3,120

Depreciation charged in financial records Rs. 11,200

Depreciation charged in cost records Rs. 12,500

Provision for Taxation Rs. 52,750

Interest credited in financial books Rs. 10,925

- 35) Calculate the wages due under (a) Halsey Plan and (b) Rowan Plan with the following details.

Std Time 9 hours

Time Taken 6 hours

Hourly Rate Rs. 10

36) Work out the machine hour rate from the following details.

Cost of machine Rs. 9,00,000

Freight and installation charges Rs. 1,00,000

Working life 10 years

Working hours 2000 per year

Repairing charges 50% of depreciation

Power 10 units per hour @ Re. 1 per hour

Lubricating oil Rs. 20 per day of 8 hours

Consumable stores Rs. 100 per day of 8 hours.

Wages of operator @ Rs. 40 per day.

(5x2=10 Weight)

SECTION – D

IV. Answer **any two** questions. **Each** question carries a weightage of 4.

37) From the following details, Calculate

a) Re-ordering Level

b) Maximum Level

c) Minimum Level

d) Danger Level

e) Average Stock Level

Total cost of placing an order Rs. 200

Number of units to be purchased during the period 5000 units

Purchase price per unit including transportation cost Rs. 500

Annual cost of storage of one unit Rs. 50



Lead times : Average 10 days, Maximum 15 days, Minimum 6 days, Maximum for emergency purchases 4 days.

Rate of consumption : Average 15 units per day, Maximum 20 units per day.

38) A company has two production departments and two service departments and for a period of the departmental distribution summary has the following totals

Production dept- A Rs. 40,000

Production dept- B Rs. 30,000

Service Dept- S1 Rs. 16,000

Service Dept – S2 Rs. 20,500

The expenses of the service depts .: are charged out as percentage basis as follows :

| | A | B | S1 | S2 |
|-----------------|-----|-----|-----|-----|
| Service Dept S1 | 50% | 40% | – | 10% |
| Service Dept S2 | 10% | 40% | 50% | – |

Prepare a statement showing the apportionment of two service department expenses to production departments by simultaneous equation method.

39) What do you mean by reconciliation of cost and financial accounts ?
What are the reasons for disagreement in profit ? Explain the procedure of reconciliation.

(2×4=8 Weight)
