$\begin{array}{ll}\text { Reg No } \quad: \\ \text { Name } & \text { : }\end{array}$

## BCOM DEGREE (CBCS ) EXAMINATION, FEBRUARY 2021 <br> Fifth Semester <br> Core Course - CO5CRT14-COST ACCOUNTING-1

B.Com Model II Computer Applications ,B.Com Model II Finance \& Taxation,B.Com Model II Logistics Management,B.Com Model II Marketing,B.Com Model II Travel \& Tourism,B.Com Model III Computer Applications,B.Com Model III Office Management \& Secretarial Practice,B.Com Model III Taxation,B.Com Model III Travel \& Tourism,B.Com Model I Finance \& Taxation,B.Com Model I Co-operation,B.Com Model I Computer Applications,B.Com Model I Marketing,B.Com Model I Travel \& Tourism<br>\section*{2017 Admission Onwards}<br>2F14ACAF<br>Time: 3 Hours<br>Max. Marks : 80

## Part A

Answer any ten questions.
Each question carries 2 marks.

1. Define Profit Centre.
2. What are the advantages of cost accounting to the workers?
3. What is Direct costing?
4. What is Inventory Turnover Ratio?
5. What is a Bin Card?
6. What do you mean by scrap?
7. Who are Casual workers?
8. 

Calculate wages due to a worker from the following data.
Normal hours in a week

- 44 hours

Actual booked hours -50 hours
Rate per hour:
Normal ` 12.5
Overtime, 200\% of Normal rate
9. What is labour hour rate?
10. Define cost allocation \& cost apportionment
11. What is Blanket rate?
12. Explain purely financial charges.

# Part B <br> Answer any six questions. <br> Each question carries 5 marks. 

13. Differentiate between cost, expense and loss.
14. How simple average method of pricing the issue of material differ from the weighted avergae average method?
15. What is Time booking? What are its objectives?
16. What are the merits of Rowan plan?
"Overhead which is common to two or more dept. or cost centres are required to be apportion among these depts. It has to be made on some equitable basis" Explain the important bases for apportionment of overhead.
17. A company's expenses for the month of June 2018 is given below

Rent - Rs 12500
Insurance -Rs 1050
Depreciation-- 15\% of value of machinery
Power-Rs3800
Lighting- Rs1250
Additional information relating to the company:

|  | Production departments Service departments |  |  |  |  |  |
| :--- | :--- | :--- | :--- | :--- | :--- | :--- | :--- |
| Items | P1 | P2 | P3 | Office Service workshop |  |  |
|  | 20000 | 25000 | 30000 |  |  |  |
| Direct wages | 30000 | 35000 | 45000 |  |  |  |
| Direct material | 2000 | 3000 | 3000 | 1000 | 2000 | 2000 |
| Indirect material | 3000 | 3000 | 4000 | 10000 | 10000 | 5000 |
| Indirect wages | 200 | 250 | 300 | 150 | 100 | 250 |
| Area in square metres | 30000 | 35000 | 25000 | -- | -- | 15000 |
| Value of machinery | 30 | 20 | 25 | -- | -- | 5 |
| Horse power of machines 15 | 20 |  |  |  |  |  |
| Machine hours worked | 10000 | 20000 | 15000 | -- | -- | 5000 |

Prepare an overhead primary distribution summary statement for the departments showing clearly the basis of apportionment where necessary
19. Calculate the composite machine hour rate from the following:
i. Purchase price of the machine 90000
ii. Freight \& installation charges 10000
iii. Life of the machine-10 years @2000 working hours per year
iv. Repair charges, $40 \%$ of depreciation
v. Power - 20units per hour @ Rs. 0.80 per unit
vi. Lubricating oil @ Rs. 2 per day of 8 hours
vii. Consumable stores @Rs. 10 per day of 8 hours
viii. Wages of machine operator @4 per day of 8 hours
20. What is a production Account? Prepare a production account with imaginery figures.
21. The following information are obtained from books of Arun Ltd.for the year ending 31st March 2019. Materials used-Rs.1,20,000; Direct wages-Rs.12,000; Factory overheadRs.5,000; Administration overhead-Rs.5,000. Prepare a cost sheet and calculate the price which the company should quote for the manufacture of a machine requiring materialsRs. 10,500 ; Direct wages-Rs. 1,500 , so that the price may yield a profit of $25 \%$ on cost.

## Part C

Answer any two questions.
Each question carries 15 marks.
22. Explain the different classification of cost.
23.

Following particulars relate to a manufacturing company which has three production departments $\mathrm{A}, \mathrm{B}$ and C and 2 service departments X and Y .
Overhead as per primary distribution are as follows
Dept A Rs 6300
Dept B Rs 7400
Dept C Rs 2800
Dept X Rs 4500
Dept Y Rs 2000
The company decided to charge the overheads of service departments on the basis of following percentages

| A B C | X | Y |  |  |
| :---: | :---: | :---: | :---: | :---: |
| X $40 \%$ | $30 \%$ | $20 \%$ | -- | $10 \%$ |

Y 30\% 30\% 20\% 20\% --
Find the overheads of production departments after charging service department cost to production department by using simultaneous equation method.
24. Mr.X furnishes the following data relating to the manufacture of a standard product during the month of June 2016. Raw materials consumed-Rs.25,000; Direct labour-Rs.5,000; Machine hours worked-500hrs.; Machine hour rate-Rs.5; Administrative overheads-20\% on works cost; Selling overheads-Rs. 0.25 per unit. Units produced- 20,000. Units sold $18,000 @$ Rs. 4.50 per unit. You are required to prepare a Cost sheet showing-
a. Cost of production, b. profit per unit sold and c. profit for the period.
25. From the following particulars prepare:

1. A statement of cost of manufacture for the year 2017
2. A statement of profit as per cost accounts
3. Profit and loss account in the financial books
4.Show how you would attribute the difference in the profit as shown by 2 and 3. Opening stock of raw materials Rs.30,000; Purchaseof raw materials Rs.1,80,000; Closing stock of raw materials Rs.45,000; OPening stock of finished goods Rs.60,000; Closing stock of finished goods Rs.15,000; Wages-Rs.75,000. Calculate the factory expenses at $25 \%$ on prime cost, Office expenses at $75 \%$ on factory expenses. Actual works expenses amounted to Rs.58,125 and actual office expense amounted to Rs.45,750. The selling price was fixed at a profit of $25 \%$ on cost.
