



QP CODE: 24027795



24027795

Reg No : .....

Name : .....

**B.A DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE  
EXAMINATIONS, OCTOBER 2024**

**Third Semester**

B.A Corporate Economics Model III

**Core Course - EC3CRT08 - COST ACCOUNTING**

2017 Admission Onwards

B4456887

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Explain Opportunity cost.
2. What are the limitations of cost accounting?
3. What are the disadvantages of weighted average method of pricing issues?
4. Explain weighted average methods of pricing.
5. Define material cost.
6. What is Indirect Labour?
7. Explain the advantages of Merrick's Multiple Piece rate system.
8. Explain Merrick's Multiple Piece rate system.
9. Explain Rowan Premium Plan.
10. What is meant by overheads?
11. Explain a) allocation and b) apportionment.
12. Explain Contract costing.

(10×2=20)

**Part B**

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. Explain the significance of cost accounting.
14. Explain the objectives of cost accounting.
15. Prepare stores ledger using FIFO & LIFO method  
1/1 PURCHASED 300 UNITS @Rs.3.00  
4/1 PURCHASED 600 UNITS @Rs. 4.00  
6/1 ISSUED 500 UNITS  
10/1PURCHASED 700 UNITS @Rs4.00  
15/1 ISSUED 800 UNITS  
20/1 PURCHASED 300 UNITS @ 5.00  
30/1 ISSUED 100 UNITS
16. From the following particulars prepare stores ledger under Last – in – first – out method:  
December 1. Stock in hand 500 units at Rs. 20
  3. Issued 200 units
  3. Purchased 150 units at Rs.22
  4. Issued 100 units
  5. Purchased 200 units at Rs. 25
  6. Issued 300 units
  6. Returned to stores 10 units (Issued on Dec 4.)
  7. Issued 100 units
  8. Issued 50 units

On 10th it was noticed that there is a shortage of 10 units
17. What are the advantages and disadvantages of FIFO method of pricing issues?
18. Calculate labour turnover rate  
Number of employees at the beginning: 240  
No: of employees at the end: 310  
No: of employees discharged during the period: 5  
No: of employees resigned during the period: 26  
No: of employees replaced due to quits and discharges: 25.
19. Calculate the earnings of the worker "A" by Halsey premium plan using the following information.  
  
Standard production= 200 units  
Standard time = 8 hrs  
Normal rate /hour =?  
Time taken by worker A= 6 hrs  
Bonus =50%
20. Explain the Principles of Apportionment of Overhead Costs.





21. The following information has been obtained from the books of Ram Associates Ltd. for the period 1st May 2018 to 31st May 2018.

	Amount(Rs)
Cost of raw materials in stock as on 1st May 2018	30,000
Raw materials purchased during the month	2,90,000
Direct labour paid	40,000
Factory overheads	24,000
Direct expenses	6,000
Office overheads	12,000
Stock of finished goods as on 1st May 2018	60,000
Stock of finished goods as on 31st May 2018	80,000
Stock of raw materials as on 31st May 2018	45,000
Selling and distribution overheads	20,000
Sales	4,00,000

You are required to prepare the cost sheet for Ram Associates Ltd. for the period ending 31st May 2018.

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Explain the Elements of Cost.
23. From the following transactions, prepare separately Stores Ledger account using the following pricing methods: (i) FIFO and (ii) LIFO.

Jan	1	Opening balance 100 units @ Rs. 5 each
	5	Received 500 units @ Rs 6 each
	20	Issued 300 units
Feb	5	Issued 200 units
	6	Received 500 units @ Rs. 5 each
March	10	Issued 300 units
	12	Issued 250 units

24. What are the various methods of classifying overheads?
25. Prepare cost sheet from the following information

Raw material	43000
productive wage	10000
unproductive wage	10500
actory rent and taxes	2500





Factory lighting	2200
office rent	1500
office stationary	800
directors fee	2500
office insurance	1000
depreciation machinery	2000
finished goods (1/2/14)	10000
finished goods (31/12/14)	5000
work in progress (1/2/14)	5000
work in progress (31/12/14)	1000
salesman salary 10000 sales	96000

calculate prime cost, factory cost incurred, factory cost, cost of production, cost of goods sold, cost of sales and profit.

(2×15=30)

