

QP CODE: 18103549



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Reg No :

Name :

BA DEGREE (CBCS) EXAMINATION, NOVEMBER 2018

Third Semester

B.A Corporate Economics Model III

CORE COURSE - EC3CRT08 - COST ACCOUNTING

2017 Admission Onwards

CC98C7E9

Maximum Marks: 80

Time: 3 Hours

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Explain cost classification on the basis of function.
2. What are the limitations of cost accounting?
3. What are the advantages of FIFO method of pricing issues?
4. What are the disadvantages of Simple average method of pricing issues?
5. Distinguish between direct labour and indirect labour.
6. Distinguish between Normal Idle time and abnormal idle time.
7. Distinguish between time wage rate system and Piece rate system.
8. Explain labour turnover. What are the causes for it?
9. How are overtime wages treated in cost accounts?
10. What are the different methods of classifying overheads?
11. Explain a) allocation and b) apportionment.
12. Explain job costing.

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. What are the main objectives of cost accounting?

14. Explain cost classification on the basis of traceability.
15. What is material pricing? Explain simple average method.
16. What are the advantages and disadvantages of Simple average method of pricing issues?
17. Explain the advantages and Disadvantages of Halsey Premium Plan.
18. Explain the advantages and Disadvantages of Taylor's Differential Piece rate system.
19. Distinguish between Halsey Premium Bonus Plan and Rowan Plan.
20. Distinguish between Cost Allocation and Apportionment.
21. Explain the followig:
 - a. Job costing
 - b. Process costing
 - c. Cotract costing

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Explain the Elements of Cost.
23. The following is the record receipts and issues of a certain material in the factory during a week.

Jan	1	Opening balance of 50 tonnes @ Rs. 10 per tonne.
	1	Issued 30 tonnes
	2	Received 60 tonnes @ Rs.10.20 per tonne
Jan	3	Issued 25 tonnes
	3	Stock verification reveals a loss of 1 tonne
	4	Received back from work order 10 tonnes (previously issued at Rs.9.15 per tonne)
	5	Issued 40 tonnes
	6	Received 22 tonnes @ Rs. 10.30 per tonne
	7	Issued 38 tonnes

At what prices will you issue the materials? Use FIFO and LIFO methods for this purpose and show the comparative results.

Sumit Company has five departments. P, Q, R, S are production departments and T is a service department. The actual expenses for the period are as follows:

	Rs
Repairs	3,500
Rent	2,500
Depreciation	1,750
Supervision	5,600
Insurance of Stock	1,600
Employer's contribution to PF	1,200
Lighting	1,250

The following are other information:

	Dep. P	Dep. Q	Dep. R	Dep. S	Dep. T
Floor Area (sq.ft)	140	120	110	90	40
No. of workers	5	4	2	2	1
Total wages (Rs)	10000	8000	5000	5000	2000
Value of plant (Rs)	20000	18000	16000	10000	6000
Value of stock (Rs)	15000	10000	5000	2000	----

Apportion the costs to various departments on an equitable basis.

25. Calculate the Profit using the cost sheet and prepare income statement for the same

Sales for the year -275000

Inventories at the beginning of the year:

Finished goods-7000

Work in progress-4000

Purchase of materials for the year -11000

Materials:

At the beginning of the year-3000

At the end of the year-4000

Direct labour-65000

Factory overheads- 60% of the direct labour

Inventories at the end of the year:

Work in progress-6000

Finished goods-8000

Other expenses for the year:

Selling expenses 10% of sales

Administrative expenses- 5% of the sales

(2×15=30)