

E 5633

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Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2018

Third Semester

B.A. Corporate Economics

Core Course—COST ACCOUNTING

(2013 to 2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Section A

Answer all questions.

Each question carries 1 mark.

1. Define Costing.
2. Define Cost Sheet.
3. Define Indirect Material.
4. What is Bin cards ?
5. Define Idle time.
6. What is a Purchase Requisition ?
7. What do you mean by cost plus contract ?
8. Define Labour turnover.
9. What is the meaning of centralised purchasing ?
10. Write down the formula of Maximum Level.

(10 × 1 = 10)

Section B

Answer any eight questions.

Each question carries 2 marks.

11. Limitation of Financial Accounting.
12. Give two example of Batch costing.
13. Give two example of Direct Expenses.
14. EOQ.
15. Write down the advantages of FIFO method.
16. Write down the causes of labour turnover.
17. What is the element wise classification of overhead ?

Turn over

18. Distinguish between Bin card and Store Ledger.
19. Calculate Factory cost from the following information :
- Direct Material—Rs. 1,00,000
Direct Labour—Rs. 50,000
Direct Expenses—Rs. 20,000
Factory overhead—Rs. 10,000
20. Calculate re-ordering level from the following information :—
- Maximum consumption = 300 units per day
Minimum consumption = 200 units per day
Re-ordering period = 8 to 10 days.
21. Annual usage = Rs. 1,20,000
Cost of placing one order = Rs. 60
Carving cost is 10 %
Calculate EOQ.
22. Rate per hour = Rs. 5
Standard time = 20 hour
Actual Time = 15 hour
Calculate the total earning under the Halsey Premium Plan.

(8 × 2 = 16)

Section C

*Answer any six questions.
Each question carries 4 marks.*

23. Write down the objections and importance of Cost Accounting.
24. What are the principles of a good wage payment system ?
25. Write down the duties and responsibility of storekeeper.
26. What is contract costing ? Write a note on cost plus contract.
27. Prepare a cost sheet from the following information :

	Rs.
Direct Material	... 50,000
Direct Labour	... 15,000
Factory Expenses	... 2,000
Office Expenses	... 1,000
Office Rent	... 2,000
Factory Rent	... 3,000
Administration expenses	... 1,000
Selling Expenses	... 1,500
Advertisement	... 500
Income Tax	... 1,000
Sales	... 90,000

28. Normal consumption = 50 units per week
 Minimum consumption = 25 units per week
 Maximum consumption = 75 units per week
 Re-ordering quantity = 300 units
 Re-order period = 4 to 6 weeks
 Calculate (a) Re-ordering level ; (b) Minimum level ; (c) Maximum level ; (d) Average stock level.
29. From the following information calculate Labour Turnover Rate by applying three methods :
- No. of Employee on 1-4-2015—200
 No. of employee on 31-3-2016—240
 No. of employee resigned—20
 No. of employee discharged—5
 No. of employee replaced—18
30. Standard time allowed for a job is 100 hours. The hourly rate of wage is Rs. 6 per hour. Plus Dearness Allowance of Rs. 4 per hour. Actual time taken by the worker is 80 hours. Calculate total wages on :
- (a) Time rate basis.
 (b) Halsey Premium Plan basis (50 %).
 (c) Rown's Bonus plan.
31. A factory follows job costing. The following cost data are obtained from its books for the year ending 31st December 2015 :

	Rs.
Direct Materials	... 90,000
Direct Wages	... 75,000
Profit	... 60,900
Selling and distribution overhead	... 52,500
Administration overhead	... 42,000
Factory overhead	... 45,000

Prepare a job cost sheet and find out overhead recovery rates and percentage of profit on sales.

(6 × 4 = 24)

Section D

*Answer any two questions.
 Each question carries 15 marks.*

32. Write down the function of purchase department. Discuss the step involved in purchasing.
33. Explain the various methods of classification of cost. Explain 'cost' and 'profit' centre.

Turn over

34. The following is an extract of the record of receipts and issue of sulphur in a chemical factory during November 2015 :

November 1	Opening balance 500 tonnes at Rs. 200
3	Issue 70 tonnes
4	Issue 180 tonnes
13	Received from supplier 240 tonnes at Rs. 190
14	Returned from the department 15 tonnes
16	Issue 180 tonnes
20	Received from supplier 240 at Rs. 195
24	Issue 300 tonnes
25	Received from supplier 320 at Rs. 210
26	Issue 115 tonnes
27	Returned from department 35 tonnes

Issues are to be priced on FIFO method. The stock verified of the factory had found shortage of 10 tonnes on 22nd and left a note accordingly. Prepare a store ledger account of the above transaction.

35. XYZ Ltd. has production departments A, B and C and two service departments S1 and S2 :

Monthly expenses in Rs.

Rent—5,000 ; Indirect wages—1,500 ; Lighting—600 ; Depreciation—10,000 ; Power—1,500 ; Sundries—10,000.

Additional information :

Particulars	Production Department			Service Department	
	A	B	C	S ₁	S ₂
Floor space (in ft.)	2000	2500	3000	2000	500
Light points	10	15	20	10	5
Wages (Rs.)	3,000	2,000	3,000	1,500	500
H.P. of machine	60	30	50	10	—
Value of machines in Rs.	60,000	80,000	1,00,000	5,000	5,000
Working hours	6,226	4,028	4,066		

The expenses of S₁ and S₂ are allotted as follows :

	A	B	C	S ₁	S ₂
S ₁	20 %	30 %	40 %	—	10 %
S ₂	40 %	20 %	30 %	10 %	—

Calculate charges recovery per hours.

(2 × 15 = 30)