



QP CODE: 21100684



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Reg No :

Name :

B.A DEGREE (CBCS) EXAMINATION, MARCH 2021

Third Semester

B.A Corporate Economics Model III

Core Course - EC3CRT08 - COST ACCOUNTING

2017 Admission Onwards

88598F44

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

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

1. What is a Cost Centre?
2. Explain Opportunity cost.
3. What are the objectives of material cost?
4. What are the advantages of Simple average method of pricing issues?
5. What is idle time?
6. What is Indirect Labour?
7. What is labour turnover?
8. Explain Merrick's Multiple Piece rate system.
9. Explain Halsey Premium Plan.
10. Explain the term secondary distribution in overheads.
11. What is meant by overheads?
12. What is Job 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 a stores ledger account from the following transaction assuming that the issue of stores has been priced on the principle of FIFO.

Jan

1. Opening stock of 2000 units at Rs. 26
2. Issued 1000 units
3. Issued 800 units
4. Purchased 1500 units at Rs. 27.50 each
4. Issued 400 units
5. Issued 320 units
6. Purchased 1000 units at Rs. 29 each
7. Issued 1400 units
8. Returned to vendor, purchased on 6th Jan. 30 units
9. Received back from work order, issued on 5th Jan. 40 units
10. Issued 500 units

On 10th Jan. when the stock is verified, it is found that the actual stock is more by 20 units

16. With the help of the following information, prepare Stores Ledger Account based on Weighted Average Method of pricing issues:

Sep

- 1 Opening balance 24,000kg at Rs.7,500 per tonne
- 1 Purchase 44,000kg at Rs.7,600 per tonne
- 1 Issue 1000 kg
- 5 Issue 16,000 kg
- 12 Issue 24,000 kg
- 13 Purchase 10,000 kg @ Rs 7,800 per tonne
- 18 Issue 24,000 kg
- 22 Purchase 50,000 kg
- 28 Purchase 50,000 kg @ Rs.8,000 per tonne
- 30 Issue 22,000 kg

17. What are the advantages and disadvantages of FIFO method of pricing issues?

18. Calculate the earnings of workers A&B using:

- i. Straight piece rate
- ii. Taylor's Differential method
- iii. Merrick's Differential method

Normal rate /hour=1.80

Standard time per unit=20 second

The worker is supposed to work for 8 hours a day.

Worker A produces 1300 units and B produces 1500 units

Differentials to be applied: 80% below standard and 120% above standard

19. What are the advantages and disadvantages of Simple Average method of pricing issues?





20. Explain Direct Distribution method of re-apportionment with examples.
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. Differentiate between financial accounting and cost accounting.
23. Calculate the value of the closing stock by using FIFO method

Opening balance on 1/1/2013= 500 units@ Rs.4

Received 200 units @Rs.3.50 on 3/1/2013

Received 400 units @Rs. 4.2 on 10/1/2013

Received 350 units @ Rs.4.00 on 18/1/2013

Received 200 units @ Rs. 4.50 on 21/1/2013

Received 150 units@ Rs. 4.80 on 25/1/2013

Issued 350 units on 2/1/2013

Issued 250 units on 6/1/2013

Issued 150 units on 14/1/2013

Issued 250 units on 20/1/2013

Issued 200 units on 23/1/2013

Issued 200 units on 23/1/2013

24. Skyline Industries Ltd. has three production departments X, Y and Z alongwith five service departments. The following are details of primary distribution summary for the





month of January 2018.

Production departments X Rs. 50,000
 Y Rs. 35,000
 Z Rs. 15,000

Service Departments:

Canteen Rs. 6,000
 Timekeeping Rs. 4,500
 Accounts Rs. 7,500
 Stores Rs. 2,000
 Power Rs. 5,000

The following details are available in respect of the production departments

	X	Y	Z
No. of Workers	16	8	6
H.P. of machines	60	40	25
No. of stores requisitions	250	100	50

Apportion the cost of service departments to production department using Direct Method.

25. Calculate the Profit using the cost sheet from the following information

Sales for the year - Rs 275000
 Inventories at the beginning of the year:
 Finished goods- Rs7000
 Work in progress- Rs4000
 Purchase of materials for the year - Rs11000
 Materials:
 At the beginning of the year- Rs3000
 At the end of the year- Rs4000
 Direct labour- Rs 65000
 Factory overheads- 60% of the direct labour
 Inventories at the end of the year:
 Work in progress- Rs6000
 Finished goods- Rs 8000
 Other expenses for the year:
 Selling expenses 10% of sales
 Administrative expenses- 5% of the sales

(2×15=30)

