

QP CODE: 20100106



Reg No : .....

Name : .....

**BCOM DEGREE (CBCS ) EXAMINATION, FEBRUARY 2020**

**Fifth Semester**

**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

2017 Admission Onwards

C7D560FC

Time: 3 Hours

Maximum Marks :80

**Part A**

*Answer any **ten** questions.*

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

1. Distinguish between costing and cost accounting.
2. What is Committed Cost?
3. What is Absorption Costing?
4. What is Direct material ?Give two examples .
5. What is perpetual inventory system?
6. What is weighted average price?
7. What is Merrick's multiple piece rate system?
8. From the following particulars ascertain the labour cost per day of 8 hours.
  - a. Basic salary : 4000 per month
  - b. Dearness Allowance : 5% of basic salary
  - c. Employer's contribution to provident fund : 8% of(a) and (b)
  - d. Employer's contribution to ESI : 2 ½ % of (a) and (b)
  - e. Pro- rata amenities on labour : 179. 5 per head per month
  - f. Working Hours in a month : 400





9. Distinguish between fixed and variable overhead?
10. List out the factors to be considered while selecting a suitable method of overhead absorption.
11. Explain the terms :
  - a) Primary distribution
  - b) Secondary distribution
12. Give two items of expenses which are included only in financial accounts.

(10×2=20)

### Part B

Answer any **six** questions.

Each question carries **5** marks.

13. What is cost centre? What are the different types of cost centres?
14. Calculate the inventory turnover ratio from the following details: Material X Material Y (Rs)  
(Rs) Opening stock 25000 87500 Closing Stock 15000 62500 Purchases 190000 125000  
Determine the fast moving material
15. What is Overtime? Explain the treatment of overtime premium in Cost Accounts.
16. Distinguish between Time Rate system and Piece Rate system.
17. What do you mean by departmentalisation of overhead? List out its advantages.
18. *“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.*
19. *The following particulars relate to machine for one month*  
*Rent and rates per month - Rs 6000*  
*Lighting and heating per month Rs 2750*  
*Supervisor's charges per month Rs 4000*  
*Wages of machine operator per month- Rs 2000*  
*Insurance of the machine per annum -Rs 3000*  
*Depreciation of machine per annum- Rs 9000*  
*Repairs and maintenance of machine per annum-Rs 3600*  
*Power used per hour – 5 units @ Rs 4*  
*Lubricants , cotton waste etc per month-Rs 150*  
*The machine worked for 300 hours during the month .Calculate machine hour rate*
20. Prepare a production account with imaginary figures.





21. The net profit of a manufacturing company for the year ended 31.03.2016 was Rs.5,15,020 as shown by financial books and Rs.6,89,600 as per cost books. Administrative overheads Over recovered in cost accounts-Rs.6,800; Loss due to obsolescence charged in financial accounts-Rs.22,800; Depreciation charged in financial accounts-Rs.44,800; Depreciation recovered in cost accounts-Rs.50,000; Loss due to depreciation in stock value charged only in financial accounts-Rs.27,000; Interest on investment-Rs.32,000; Income tax paid- Rs.1,61,200; Bank interest received-Rs.4,900; Stores adjustment (credit in financial books only)-Rs.200; Works overhead underabsorbed in cost books-Rs.12,480. .Prepare reconciliation statement.

(6×5=30)

**Part C**

Answer any **two** questions.

Each question carries **15** marks.

22. "Cost accounting is a tool of managerial planning and control." Do you agree with this statement? Explain.
23. A manufacturing Co. has two production depts. & three service depts. The departmental distribution summary showed the following expenses.

Production Depts.

Dept. X – Rs.32,000

Dept. Y – Rs. 20,000

Service Depts.

Time keeping Dept. – Rs. 16,000

Stores Dept. – Rs. 5000

Maintenance Dept. –Rs 3,000

Additional information

| Base                       | Production Dept. |      | Service Dept. |         |              |
|----------------------------|------------------|------|---------------|---------|--------------|
|                            | X                | Y    | Time Keeping  | Stores. | Maintenance. |
| No. of employees.          | 40               | 30   | -             | 20      | 10           |
| No. of stores requisitions | 24               | 20   | -             | -       | 6            |
| Machine hours              | 2400             | 1600 | -             | -       |              |

Apportion the overheads of service dept. to production dept., by using step ladder method.





24. What is cost sheet? Explain its preparation. Prepare an imaginary cost sheet showing the various elements of cost and the profit.
25. Following are the particulars for the production of 20,000 cellphones of XL Co. Ltd. For the year 2018. Cost of Materials-Rs.1,75,000; Wages-Rs.2,50,000; Manufacturing expenses-Rs.1,00,000; Salaries-Rs.1,25,000; Rent & rates- Rs.25,000; Selling expense-Rs.40,000; General expense-Rs.40,000; Sales-Rs.10,00,000. The company plans to manufacture 4,000 mobile phones during 2019. You are required to submit a statement showing the price at which phones would be sold so as to show a profit of 15% on Selling price. Additional information: (a) Price of material is expected to rise by 15%. (b) Wages are expected to show an increase of 10% (c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages. (d) Selling price will remain the same. (e) Other expenses will remain unaffected by the rise in output.

(2×15=30)

