

THIRD SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2022

(Regular/Improvement/Supplementary)

B.Com Professional

GBCP3B11T: COST ACCOUNTING

Time: 3 Hours

Maximum Marks: 80

PART A: Answer all the questions. Each carries 1 mark.

Choose the correct answer.

- 1. Material abstract is also known as
 - A) Material issue analysis sheet
 - B) Bill of materials
 - C) Stores ledger
 - D) None of these
- 2. First in first out method of valuing material issues is suitable in times of.....
 - A) Raising prices
 - B) Falling prices
 - C) Fluctuating prices
 - D) None of these
- 3. The basic objective of cost accounting is.....
 - A) Recording of cost
 - B) Reporting of cost
 - C) Cost control
 - D) Earning Profit
- 4. Which of the following items would most likely be included in the calculation of EOQ?
 - A) Price
 - B) Cost
 - C) Demand
 - D) Supply
- 5. Depreciation of machinery should be apportioned to cost centres on the basis of,
 - A) Value of machinery
 - B) Gross block
 - C) Purchase cost of machinery
 - D) Plant layout of the machinery

Fill in the Blanks.

- 6. A ledger in which an account is maintained for each job is known as
- 7. In printing press costing is used.
- 8. Administration overheads are usually absorbed as a percentage of cost.
- 9. Cost of normal idle time is charged to..... overhead.
- 10. Wage sheet is prepared by Department

(10 × 1 = 10 Marks)
(PTO)

PART B: Answer any eight questions. Each carries 2 marks.

11. What is double bin system?
12. Who are casual workers?
13. What is secondary distribution of overheads?
14. How will you treat 'Overtime wages' in cost accounts?
15. In what type of concerns job costing is applicable?
16. What is an accelerated premium plan?
17. What is the need of reconciliation of cost and financial statement?
18. Write about imputed cost with suitable example
19. What are selling overheads?
20. Calculate the earnings of Mr. Babu for a day under Taylor's differential piece rate:

Standard output - 50 units in a day of 8 hours

Low piece rate - Rs.3 per unit

High piece rate - Rs.5.00 per unit

In a day of 8 hours X has produced 100 units.

(8 × 2 = 16 Marks)

PART C: Answer any six questions. Each carries 4 marks.

21. A worker produced 200 units in a week's time. The guaranteed weekly wage payment for 45 hours is Rs.81. The expected time to produce one unit is 15 minutes, raised further by 20% under the incentive scheme. What will be the earnings per hour of that worker under Halsey (50% sharing) and Rowan bonus schemes?
22. Calculate EOQ from the following

Annual usage : 100000 units

Buying cost per order : Rs.15

Cost of carrying inventory : 10% of cost

Cost per unit : Rs.60

23. Two components of A and B are as follows

Normal usage 50 units per week of A and B

Minimum usage 25 units per week of A and B

Maximum usage 75 units per week of A and B

Reorder quantity A: 300 units; B: 500 units

Reorder period A: 4 to 6 weeks; B: 2 to 4 weeks

Calculate for each component of A and B:

- a) Reorder level b) Minimum level c) Maximum level d) Average stock level

24. What do you understand by 'time and motion study'? State how time and motion study is useful to management.
25. A worker takes 6 hours to complete a job under a scheme of payment by results. The standard time allowed for the job is 9 hours. His wage rate is Rs. 15 per hour. Material cost of the job is Rs. 120 and the overheads are recovered at 15% of the total wages. Calculate the factory cost of job under:-
 A) Rowan and B) Halsey system of incentive system
26. Write a short essay on integration of cost and financial accounts.
27. Describe the different basis on which factory overheads can be apportioned.
28. Prepare a Reconciliation statement from the following

Profit as per cost accounts Rs. 291000

Works overheads under-recovered Rs. 19000

Administration overheads under-recovered Rs. 45500

Selling overheads over-recovered Rs. 39000

Overvaluation of opening stock in cost accounts Rs. 30000

Overvaluation of closing stock in cost accounts Rs. 15000

Interest earned during the year Rs. 7500

Rent received during the year Rs. 54000

Bad debts written off during the year Rs. 18000

Preliminary expenses written off during the year Rs. 36000

(6 × 4 = 24 Marks)

PART D: Answer any two questions. Each carries 15 marks.

29. What are the merits and demerits of time rate and piece rate systems of wage payment? State the situations in which each system is effective and valid.
30. From the following particulars prepare store ledger under (i) FIFO (ii) LIFO (iii) Weighted average methods.

April 1st Opening Balance 2500 units @ Rs. 150

3rd Purchased 1200 units @ Rs. 140

4th Issued 1500 units

8th Purchased 900 units @ Rs. 160

10th Refund from work order 250 units.

16th Issued 1750 units.

25th Purchased 1350 units @ Rs. 150

27th Issued 1300 units.

30th Issued 500 units.

(PTO)

31. A company has three production departments and two service departments. Following details relating to overheads analyzed to production and service departments is made available to you.

Production department

A - 70,000

B - 63,000

C - 40,000

Service department

P - 18000

Q - 30,000

The expenses of service department are apportioned as follows:

	A	B	C	P	Q
Service department P	25%	35%	30%	-	10%
Service department Q	30%	25%	30%	15%	-

You are required to allocate the service department costs over the production departments using the simultaneous equation method.

(2 × 15 = 30 Marks)