

**THIRD SEMESTER UG HONOURS EXAMINATION, NOVEMBER 2023****B.Com. HONOURS****GBCH3B11T: COST ACCOUNTING – 1****Time: 3 Hours****Maximum Marks: 80****PART A: Answer *all* the questions. Each carries *one* mark.****Choose the correct answer.**

1. The aggregate of prime cost and factory overhead is known as.....
 

A) Direct cost	B) Works cost	C) Overhead	D) Cost of production
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2. Continuous stock taking is a part of -----
 

A) Annual stock taking	B) ABC analysis	C) Perpetual inventory	D) None of these
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3. Time spent by the worker on each job during a week is recorded on .....
 

A) Time card	B) Daily muster roll	C) Job card	D) None of these
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4. Bad debts are treated as a part of.....
 

A) Selling overhead	B) Factory overhead	C) Office overhead	D) None
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5. Wage sheet is prepared by which department.
 

A) Time keeping	B) Personnel	C) Payroll	D) None of these
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**Fill in the Blanks.**

6. Stores ledger is kept and maintained by.....
7. Cost of abnormal idle time is transferred to.....
8. ....means allotment of proportion of items of cost to cost center.
9. ....is a document which authorizes and records the issue of materials to production.
10. Under Halsey premium plan, the percentage of bonus is.....

**(10 x 1 = 10 Marks)****PART B. Answer any *eight* questions. Each carries *two* marks.**

11. What is meant by secondary distribution of materials?
12. Distinguish between cost of goods sold and cost of sale.
13. What is meant by cost accounting?
14. State any demerits of time rate system of wage payment.
15. What are classification and codification of material?
16. List out the components of works cost.
17. What is meant by absorption of material?
18. Comment on differential costing.
19. What is material abstract?
20. Give an account on labour turnover.

**(8 x 2 = 16 Marks)****(PTO)**

**PART C: Answer any six questions. Each carries four marks.**

21. Distinguish between cost allocation and cost apportionment.

22. From the following information, calculate EOQ.

Monthly consumption : 300 units

Cost of placing and receiving one order Rs. 30

Price per unit Rs. 7

Storage and carrying cost: 10% of inventory value.

23. From the following information, Calculate Re - order level, maximum level and Minimum level.

Re - order quantity : 4,000 units

Minimum stock level to allow emergency: 5 weeks

Average delivery time from suppliers: 4 weeks

Maximum stock level allowed by management: 20 weeks

Average rate of consumption per week : 250 units

Minimum consumption in 4 weeks : 800 units

24. Calculate the standard labour hour rate for workman of Grade III from the following data.

Basic pay Rs. 200 p.m DA Rs. 150 p.m

Fringe benefits Rs. 100 p.m No.of working days per year 300

Leave rules:

30 days PL with full pay, 20 days Sick leave with half pay.

25. What are the advantages of ABC analysis?

26. Calculate the total wages payable to a worker under Rowan system from the following

Job.No.	Time allowed	Time taken
1.	25 hours	20 hours
2.	30 hours	28 hours

The workers are entitled to a fixed DA of Rs. 500 per week of 48 hours and basic

Wages of Rs. 100 per hour.

27. "Cost accounting is an aid to management" Discuss the main points in support of these statements.

28. Ascertain the cost and selling price from the following

Materials consumed Rs. 6,000

Wages paid Rs. 9,000

Works on cost 50% on wages. Office on cost 20% on works cost

Selling on cost 10% on works cost. Profit 20% on cost

**(6 x 4 = 24 Marks)**

**PART D: Answer any two questions. Each carries fifteen marks.**

29. The following particulars relate to Universal manufacturing company which has three production departments A, B and C and two service departments P & Q.

Total OH as per primary Distribution (Rs.)	Departments				
	A	B	C	P	Q
	6,300	7,400	2,800	4,500	2,000

The company decided to apportion the service department costs to production departments on the following basis.

	A	B	C	P	Q
P	40%	30%	20%	.....	10%
Q	30%	30%	20%	20%	.....

Find out the total overhead of production departments using simultaneous equation method.

30. From the following particulars, prepare stores ledger account under LIFO method

1-03-2018 Opening stock 200 tonnes at the rate of Rs. 480 per tonne.

6-03-2018 Issued 140 tonnes

7-03-2018 Purchased 350 tonnes at the rate of Rs. 460 per tonne.

8-03-2018 Condemned due to deterioration in quality and transferred to scrap 30 tonnes (loss)

9-03-2018 Issued 80 tonnes

14-03-2018 Issued 210 tonnes

17-03-2018 Purchased 200 tonnes at the rate of Rs. 480 per tonne

20-03-2018 Issued 280 tonnes

25-03-2018 Purchased 280 tonnes at the rate of Rs. 470 per tonne

28-03-2018 Issued 280 tonnes

Excess found in stock 43 tonnes due to wrong weighing during the month (21-03-2018).

31. What is specific order costing? Explain the meaning and procedures of the following methods:

a) Job costing

b) Batch costing

**(2 x 15 = 30 Marks)**