

D4BCM2203

Reg.No.....

Name:

FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL 2024

(Regular/Improvement/Supplementary)

FINANCE AND COMPUTER APPLICATION

GBCM4B05T: COST ACCOUNTING

Time: 2 ½ Hours

Maximum Marks: 80

**SECTION A: Answer the following questions. Each carries *two* marks.
(Ceiling 25 Marks)**

1. Write two differences between cost accounting and financial accounting.
2. Calculate the Economic Order Quantity from the following information.
Also state the number of orders to be placed in a year. Consumption of materials per annum: 20,000 kg; Order placing cost per order: Rs.100;
Cost per kg. of raw materials: Rs.4; Storage costs :4% on average inventory.
3. Compute the Inventory turnover ratio from the following: Opening Stock - Rs.10,000
Closing Stock -Rs. 16,000 Material Consumed - Rs.78,000
4. Time allowed for a job is 48 hours; a worker takes 40 hours to complete the job.
Time rate per hour is Rs.5.
Compute the total earnings of the worker under Halsey Premium plan.
5. What is operating costing?
6. What is time keeping and time booking?
7. What is specific order costing?
8. What is the significance of escalation clause in contract costing?
9. What do you mean by a flexible budget?
10. Differentiate between cost apportionment and cost allocation.
11. How do you treat abnormal loss in process costing?
12. Write two differences between standard cost and estimated cost.
13. Explain how cost is classified under transport costing?
14. What is a cost centre?
15. What do you mean by Explicit cost and Implicit cost?

(PTO)

SECTION B: Answer the following questions. Each carries *five* marks.

(Ceiling 35 Market)

16. What do you mean by Budgetary control? Explain the steps in budgetary control.
17. What are the essentials of good remuneration system?
18. If you are appointed as cost accountant, what all aspects are to be taken care while setting up a costing system for your enterprise?
19. Briefly explain how standard costing is applied in the process of cost control?

20. The following are the costing records for the year 2023 of a manufacturer:

Production 10,000 units; Cost of Raw Materials - Rs.2,00,000; Labour Cost -Rs. 1,20,000;

Factory Overheads -Rs.80,000; Office Overheads - Rs.40,000; Selling Expenses - Rs.10,000,

Rate of Profit 25% on the Selling Price.

Prepare a Cost Statement for the year 2023 showing the total profit and selling price per unit.

21. From this information provided as under, you are required to prepare a statement showing how the issues would be priced if LIFO method is followed.

2023 March: 1 Opening Balance 100 units at Rs.10 each.

2 Received 200 units at Rs. 10.50 each.

5 Received 400units at Rs.10.25 each.

5 Issued 300 units to Job A vide M.R.No.01.

8 Issued 150 to Job B vide M.R.No.02.

9 Received 400 units at Rs.11 each.

10 Issued 250 units to Job B vide M.R.No.03

22. The following particulars for process II are given:

Particulars	UNITS	Amount
Transfer to process II at cost	4,000.	8,000
Direct wages.		3,000
Direct material.		2,000
Transfer to Finished stock.	3,500	

Factory overheads in process are absorbed at a rate of 400% of direct material.

Allowance for Normal loss is 20% of Units worked. Scrap value is Rs 5 per unit.

Evaluate the cost of transfer to finished stock. Using the information supplied above, show the amount of gain or loss in the process to be taken to Cost Profit and Loss A/c.

23. The components A and B are used as follows: Normal usage: 400, Maximum usage: 500, Minimum usage: 250, Reorder Quantity A- 2,000;B- 1,600, Reorder period: A- 4 to 6 weeks, B- 2-4 weeks.

Calculate for each component (a) Re-order Level (b) Minimum Level (c) Maximum Level (d) Average Stock Level.

SECTION C: Answer any *two* questions. Each carries *ten* marks.

24. Admakerz, an advertising agency has received an enquiry for which you are supposed to submit the quotation. Bill of material prepared by the production department for the job states the following requirement of material:

Paper 100 reams @ Rs.2,000 per ream

Ink and other printing material Rs.4,000 Binding material & other consumables Rs. 4,000.

Some photography is required for the job and the agency decides to hire one by paying Rs.9,000 to him. Estimated job card prepared by production department specifies that service of following employees will be required for this job:

Artist Rs.15,000 per month) - 80 hours

Copywriter (Rs.12,000 per month) - 60 hours

Client servicing (Rs.10,000 per month - 40 hours

The primary packing material will be required to the tune of Rs.5,000. Production Overheads

25% of direct cost, while the Selling & Distribution Overheads are likely to be 20% on

Production Cost. The agency expects a profit of 25% on the quoted price. The agency works 25 days in a month and 6 hours a day.

25. X, Y and Z are three workers working in a manufacturing company and their output during a particular 48 hours week was 90, 110 and 125 units respectively. The guaranteed rate per hour is Rs.10 per hour, low piece rate is Rs.5 per unit, and high piece rate is Rs.7.5 per unit. High task is 100 units per week. Compute the total earnings and labour cost per unit under Taylor, Merrick and Gantt Task Bonus Plan.

(PTO)

26. The summary as per primary distribution is as follows:

Production departments A- Rs.2,500; B- Rs.2,000 & C- Rs.1,500

Service departments X – Rs.800; Y- Rs.1,000

Expenses of service departments are distributed in the ratios of:

X dept.: A- 20%, B- 40%, C- 30% and Y- 10%

Y dept.: A- 40%, B- 20%, C- 20% and X- 20%

Show the distribution of service costs among A, B and C under repeated distribution method and simultaneous equation method.

27. Prepare a statement showing the pricing of issues, on the basis of

(a) Simple Average and

(b) Weighted Average methods from the following information pertaining to Material-D.

2023 March 1 Purchased 200 units @ Rs.10 each.

2 Purchased 250 units @ Rs.10.25 each..

5 Issued 250 units to Job 101 vide M.R.No.1.

7 Purchased 200 units @ Rs.10.50 each.

10 Purchased 300 units @ Rs.10.75 each.

13 Issued 200 units to Job 102 vide M.R.No.5.

18 Issued 200 units to Job 103 vide M.R.No.7.

20 Purchased 100 units @ Rs.11 each.

25 Issued 150 units to Job 104 vide M.R.No.9.

(2 x 10 = 20 Marks)