

QP CODE: 21101655



Reg No :
Name :

B.COM DEGREE (CBCS) EXAMINATION, JULY 2021

Fifth Semester

CORE COURSE - CO5CRT14 - COST ACCOUNTING - 1

Common for 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, B.Com Model II Computer Applications, B.Com Model II Finance & Taxation, B.Com Model II Logistic 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

For Regular Candidates 2018 Admission Only,
For Private Candidates 2017 & 2018 Admissions Only

C7CCD216

Time: 3 Hours

Max. Marks : 80

Instructions to Private candidates only: This question paper contains **two sections**. Answer **SECTION I** questions in the answer-book provided. **SECTION II**, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II**

SECTION I

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Define Costing.
2. What are indirect Costs? Give two examples.
3. What is Multiple costing?
4. Calculate the Re-ordering level of material A from the following particulars :
(1) Minimum limit 500 units (2) Maximum limit 2500 units (3) Daily requirement of material 100 units (4) Time required for fresh delivery 10 days
5. What is spoilage ?
6. State any two demerits of LIFO method.
7. What is Time Booking?
8. What is Incentive wage plan?
9. Explain objectives of costing of overhead?





10. What is Blanket rate?
11. Calculate wages due to a worker from the following data.
 Normal hours in a week - 44 hours
 Actual booked hours - 50 hours
 Rate per hour :
 Normal 12.5
 Overtime, 200% of Normal rate
12. What are selling and distribution overheads?

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. What is cost control? How can you effect cost control?
14. The following are the estimated cost of producing 20,000 units. Raw materials - Rs.1,00,000; Direct Wages - Rs.75,000; Direct expense - Rs.25,000; Machine Hours worked 1000 hours. Machine hour rate - Rs.10. Office overhead - 20% of works cost. Calculate Cost per unit.
15. Explain the suitability of Piece wage system.
16. Calculate normal, overtime and total wages payable to a worker from the particulars given below-

Days	Hours worked
Monday	10
Tuesday	9
Wednesday	8
Thursday	12
Friday	9
Saturday	4
Normal working hours	– 8 hrs per day
Saturday	– 4 hrs per day
Normal rate	– 50 per day
Overtime rate	– upto 9 hrs per day at single rate; and beyond 9 hours a day at double rate
17. Explain briefly which are the various methods of reapportionment of overhead?
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. A company's expenses for the month of June 2018 is given below





Rent – Rs12500

Insurance –Rs1050

Depreciation-- 15% of value of machinery

Power—Rs3800

Lighting– Rs1250

Additional information relating to the company:

Items	Production departments			Service departments		
	P1	P2	P3	Office	Service	workshop
Direct wages	20000	25000	30000			
Direct material	30000	35000	45000			
Indirect material	2000	3000	3000	1000	2000	2000
Indirect wages	3000	3000	4000	10000	10000	5000
Area in square metres	200	250	300	150	100	250
Value of machinery	30000	35000	25000	--	--	15000
Horse power of machines	15	20	25	--	--	5
Machine hours worked	10000	20000	15000	--	--	5000

Prepare an overhead primary distribution summary statement for the departments showing clearly the basis of apportionment where necessary

20. Prepare a cost sheet with imaginary figures.
21. How will you deal with under or over valuation of stocks in cost accounts while preparing a reconciliation statement?

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Define Cost Accounting. Compare Cost Accounting with Financial Accounting. Give advantages of Cost Accounting over Financial Accounting.
23. Following particulars relate to a manufacturing company which has three production departments A, B and C and 2 service departments X and Y.

Overhead as per primary distribution are as follows

Dept A Rs 6300

Dept B Rs 7400

Dept C Rs 2800

Dept X Rs 4500

Dept Y Rs 2000





The company decided to charge the overheads of service departments on the basis of following percentages

	A	B	C	X	Y
X	40%	30%	20%	--	10%
Y	30%	30%	20%	20%	--

Find the overheads of production departments after charging service department cost to production department by using simultaneous equation method.

24. Following are the particulars for the production of 1,20,000 toys of Hatfeels Co. Ltd. For the year 2019. Cost of Materials-Rs.2,75,000; Wages-1,50,000; Manufacturing expenses-Rs.1,15,000; Salaries-Rs.95,000; Rent & rates- Rs.45,000; Selling expense-Rs.32,000; General expense-Rs.10,000; Sales-Rs.9,00,000. The company plans to manufacture 40,000 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 10%. (b) Wages are expected to show an increase of 15% (c) Manufacturing expenses will rise in proportion to the combined cost of materials and wages. (d) Selling price will increase by 5%. (e) Other expenses will remain unaffected by the rise in output.
25. Prepare the following statements: 1. A statement of cost of manufacture for the year 2019, 2. A statement of profit as per cost accounts, 3. Profit and loss account in the financial books, and 4. Statement of reconciliation. Opening stock of raw materials Rs.1,25,000; Purchase of raw materials Rs.2,75,000; Closing stock of raw materials Rs.80,000; Opening stock of finished goods Rs.75,000; Closing stock of finished goods Rs.16,000; Wages-Rs.78,000. Calculate the factory expenses at 25% on prime cost, Office expenses at 50% on factory expenses. Actual works expenses amounted to Rs.41,500 and actual office expense amounted to Rs.33,500. The selling price was fixed at a profit of 20 % on cost.

(2×15=30)



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Max. Marks : 20

SECTION II

[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]

B.COM DEGREE(CBCS) PRIVATE EXAMINATION, JULY 2021

B5982183

DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN THE

SECTION II OF THE QUESTION PAPER

CO5CRT14MCQ - COST ACCOUNTING - 1

Answer **all** questions.

All questions carry equal marks

Put a tick mark [✓] against the correct answer

1. The information provided by financial statements is -----in nature.
(a) Standard (b) Historical
(c) Marginal (d) Uniform
2. Cost accountancy is considered a science because -----
(a) It has a systematic body of knowledge (b) It requires necessary ability and skills
(c) Involves continuous efforts of a cost accountant (d) None of the above
3. -----cost centre consists of person or machines carrying out similar operations
(a) Operation (b) Personal
(c) Production (d) Impersonal
4. According to CIMA, England," a unit of product, service or time in relation to which cost may be ascertained or expressed" is called
(a) Cost centre (b) Cost
(c) Cost unit (d) None of the above
5. Costs to be incurred to avoid the hampering of production is called
(a) Out of stock cost (b) Shut down cost
(c) Discretionary cost (d) Urgent cost
6. Any cost ascertained after being incurred and has no use in cost control decisions are called

- (a) Predetermined cost (b) Historical cost
- (c) Unavoidable cost (d) None of the above
7. Items of cost like wages, rent, etc. which involves cash payment to outsiders are
- (a) Normal cost (b) Product cost
- (c) Out of pocket cost (d) None of the above
8. Overheads or on cost is the total of
- (a) All direct expenses (b) All indirect expenses
- (c) Direct Expenses + Factory OH (d) None of the above
9. _____ system of costing is suitable for toy making.
- (a) Batch costing (b) Job costing
- (c) Operating costing (d) Process costing
10. Under decentralized purchasing, which department is responsible for making purchases?
- (a) Purchase department (b) Department requiring materials
- (c) Stores department (d) None of these
11. Bin card is maintained by _____
- (a) Accounts department (b) Costing department
- (c) Stores department (d) Purchase department
12. Calculate maximum stock level from the details: EOQ – 300 units, Usage rate - 25 to 75 units/ week & Re-order period – 4 to 6 weeks.
- (a) 650 units (b) 450 units
- (c) 1100 units (d) None of these
13. Direct labour means
- (a) Labour completing the work manually (b) Labour recruited directly and not through contractors
- (c) Permanent labour in the production department (d) Labour which can be conveniently allocated to a particular cost unit
14. Which among the following is an example of normal idle time?
- (a) Time lost due to shortage of materials (b) Time lost due to power failure
- (c) Time lost due to waiting for instructions (d) Time taken for machine set up
15. When time saved is more than 50% of time allowed, Halsey plan allows

- (a) More wages than Rowan plan (b) Equal wages as compared to Rowan plan
(c) Less wages than Rowan plan (d) None of the above
16. Primary packing is part of
(a) Prime cost (b) Factory OH
(c) Selling OH (d) Distribution OH
17. Which among the following is excluded from cost accounts?
(a) Interest on own capital (b) Depreciation on fully depreciated asset still in use
(c) Rent on own building (d) Income tax
18. Cost of production is
(a) Factory cost + Office OH (b) Office OH + Selling OH
(c) Works cost + Opening WIP (d) Office OH – Closing WIP
19. Methods like point ranking, method ranking method, etc. that help determine the relative value of jobs in a scientific manner are examples of
(a) Work study (b) Job evaluation
(c) Work measurement (d) Method study
20. Which industry is suitable for using operating costing method?
(a) Textile (b) Sugar
(c) Toy (d) Transport

No. of MCQ's Attempted :

Marks Scored :

(To be entered by the examiner)

No. of MCQ's not Attempted :

**ATTACH SECTION II INTERNAL EXAMINATION MCQ PAPER
WITH THE MAIN ANSWER BOOK**