(NO. OF PAGES: 4)

(FOR THE CANDIDATES ADMITTED SUBJECT CODE 21UCF513

DURING THE ACADEMIC YEAR 2021- ONLY) REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS): POLLACHI

END-OF-SEMESTER EXAMINATIONSNOVEMBER - 2023

B.Com – FINANCE **MAXIMUM MARKS: 70**

SEMESTER - V **TIME : 3 HOURS**

PART – III

COST ACCOUNTING

SECTION - A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS:

1.The guidance and regulation by executive action of cost of operating an undertaking is called as

a. costing b. cost c. Cost accounting d. cost control

2. ABC analysis deals with

a. high priced material b. Medium priced material c. low priced material d. all of these

3. --- is a systematic evaluation of an employee's performance on the job in terms of the requirements of the job.

a. Merit ratingb. Job analysis c. Labour control d. Job evaluation

4.Abnormal gain is valued in the same manner as

a. abnormal loss b. normal loss c. normal gain d. all of these

5. Costing which applies where work is undertaken to customer's special requirements is called as

a. batch costing b. contract costing c. Job costing d. Unit costing

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

6.What is cost Centre?

7.State the meaning of"Bin Card'.

8.What is meant by Scrap?

9.Give the examples of processing costing industries.

10.What do you mean by operation costing?

SECTION – B (5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

11. a) What are the types of costing?

(OR)

b) Calculate Prime cost, factory cost, cost of production, cost of sales and profit from the following details:

Direct material – Rs.10,000
Direct labour – Rs. 4,000
Direct expenses – Rs.500
Factory expenses – Rs. 1,500
Administrative expenses – Rs. 1,000

Selling expenses – Rs. 300
Sales – Rs. 20,000

12. a) From the following figures, calculate EOQ and number of orders to be placed in each year.

Annual consumption of material = 4,000 kg.
Cost of buying per order = Rs.5
Cost per unit = Rs.2 per kg.
Storage and carrying cost = 8% on average inventory.

(OR)

b)Write a short note on perpetual Inventory.

13. a)Ram Lal works in a factory where the following particulars apply:
Normal rate per hour = Rs.1.50
Normal piece rate = 20% more of time rate.
Expected output 20 units per hour. Ram Lal produces 157 units in a 8 hours day. Calculate his wages for the day on (i) Time basis (ii) Piece basis.

(OR)

b) Calculate the earnings of a worker under Halsey Premium plan.
Time allowed = 48 hours.
Time taken = 40 hours
Rtae per hour = Rs.10

14. a) The cost of production of 40 units consisting of materials Rs.1,500; Labour Rs.1,300 and overhead Rs.164. The normal waste is 5% of input. Show the Process Account.

(OR)

b) A product passes through two distinct processes A and B and thereafter, it is transferred to finished stock. The output of A passes to B and that of B to finished stock. From the following information, you are required to prepare process accounts.

	Process A (Rs.)	Process B (Rs.)
Material Consumed	12,000	6,000
Direct Labour	14,000	8,000
Manufacturing expenses	4,000	4,000
Input in Process A(units)	10,000	-
Input in Process A (value)	10,000	-
Out put– units	9,400	8,300
Normal wastage % of input	5%	10%
Value of normal wastage (per 100 units)	8	10

15. a) From the following information, calculate kilometers and total passenger kilometers.

No.of buses -4

Days operated in a month – 30
Trip made by each bus – 4
Distance of route – 30 KM long (one way)
Capacity of bus – 60 Passengers
Normal passengers travelling – 80% of the capacity.

(OR)

b) Compute the economic batch quantity for a company using batch costing with the following information:

Annual demand for the parts – 4,000 units
Setting up cost - Rs.100
Cost of manufacture – one unit -Rs. 200
Rate of interest p.a – 10%.

SECTION - C (4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS
(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS)

16. In an Engineering factory, the following particulars have been extracted for the quarter ended 31 st March 2007. Compute the departmental overhead rate for each of the production departments, assuming that overheads are recovered as a percentage of direct wages.

	Production Department			**Service Department**	
	A	**B**	**C**	**X**	**Y**
Direct wages	Rs.30,000	Rs.45,000	Rs.60,000	Rs.15,000	Rs.30,000
Direct material	Rs.15,000	Rs.30,000	Rs.30,000	Rs.22,500	Rs.22,500
Staff number	1,500	2,250	Rs.2,250	**750**	**750**
Electricity kwh	6,000	4,500	Rs.3,000	**1,500**	**1,500**
Asset value	Rs.60,000	Rs.40,000	Rs.30,000	Rs.10,000	Rs.10,000
Light points	10	16	4	**6**	**4**
Area sq. yards	150	250	50	**50**	**50**

The expenses for the period were:

Power	Rs.1,100	Depreciation	Rs.30,000
Lighting	Rs.200	Repairs	Rs. 6,000
Stores O.H	Rs.800	General O.H	Rs.12,000
Welfare of staff	Rs.3,000	Rent & Taxes	Rs.550

Apportion the expenses of Service Dept. Y according to direct wages and those of service department X in the ratio of 5 : 3 : 2 to the production department.

17. Explain the factors to be considered before preparing a tender?

18. Prepare a stores ledger account and enter the following transactions by adopting weighted average method of pricing.

Aug 1	Opening balance 50 units @Rs.3 per unit
4	Issued 2 units
8	Purchased 48 units @Rs.4 per unit
9	Issued 20 units

15	Purchased 76 units @Rs. 3 per unit
22	Received back into stores 19 units out of 20 units issued on august 9.
30	Issued to production 10 units

19. Calculate total monthly remuneration of three workers A,B and C from the following data:

(a) Standard production per month per worker – 1000 units.
Actual production during the month: A- 850 units, B – 750 units, C= 950 units.
(b) Piece work rate 10 paise per unit (actual production)
(c) Additional production, bonus is Rs.10 for each percentage or actual production exceeding 80% actual production over standard.
(d) dearness pay fixed Rs.50 per month.

20. Product X is obtained after it passes through three distinct processes. You are required to prepare process accounts from the following information:

Process/ particulars	**I**	**II**	**III**	**Total**
Material	5,200	3,960	5,924	15,084
D.Wages	4,000	6,000	8,000	18,000
Pdn.O.H	-	-	-	18,000
Actual output (units)	950	840	750	-
Normal loss	5%	10%	15%	-
Value of scrap per unit(Rs.)	4	8	10	-

1000 units @ Rs.6 per unit were introduced in Process 1. Production O.H are to be distributed as 100% on direct wages.

21. Amount of a manufacturing company showed the following details for the year:

Material used -Rs.8,75,000
Wages - Rs. 6,75,000
Works O.H - Rs.1,85,625
Establishment expenses - Rs.1,16,250

Show the works cost and total cost, the percentage that the works overhead costs bear to the wages, and the percentage that the establishment expenses bear to the works cost. What price should the company quote to manufacture a machine which would require an expenditure of Rs.7,500 in materials and Rs. 6,000 in wages, so that it may yield a profit of 25% on the total.

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