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(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2021-ONLY)

SUBJECT CODE **21 UPA 514**

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS: NOVEMBER-2023

B.Com P.A

MAXIMUM MARKS: 70

SEMESTER: V

TIME: 3 HOURS

PART - III

COST ACCOUNTING

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Tender is an _____
 - a. Estimation of cost only
 - b. Estimation of profit only
 - c. Estimation of selling price
 - d. Value of stock
2. ABC analysis is _____
 - a. Always better control
 - b. Advantages of better control
 - c. At best control
 - d. Average better control
3. Bonus under Halsey plan is paid _____
 - a. At 100% of Time saved
 - b. At 75% of Time saved
 - c. At 80% of Time saved
 - d. At 50% of Time saved
4. Process costing is suitable to industries where _____
 - a. Production is carried on in two or more consecutive stages
 - b. Production is as per customer specifications
 - c. Specialized services are rendered
 - d. Contracts are undertaken
5. The cost unit in passenger Transport Service is _____
 - a. Miles per hour
 - b. Passenger kilometers of mile
 - c. Kilometers per day
 - d. Cost per hour

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. Define 'Cost Accounting'.
7. What you mean by Perpetual Inventory?.
8. Define 'Overhead'.
9. What is 'Process Costing'?
10. What is 'Batch Costing'?

SECTION – B

(5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)

11. a) Explain the objectives of cost accounting.
(OR)
b) Mention the limitation of cost accounting.

Apportion the cost to various departments on the most equitable basis by preparing a Primary Departmental Distribution Summary.

14. a) In process A, 100 units of raw materials were introduced at a cost of Rs.1,000. The other expenditure incurred by the process was Rs.602. Of the units introduced 10% are normally lost in the course of manufacture and they possess a scrap value of Rs.3 each. The output of Process A was only 75 units. Prepare Process A Account and Abnormal Loss Account.

(OR)

b) In process B, 75 units of a commodity were transferred from process A at a cost of Rs.1,310. The additional expenses incurred by the process were Rs.190. 20% of the units entered are normally lost and sold at Rs.4 per unit. The output of the Process was 70 units. Prepare Process B Account and Abnormal Gain Account.

15. a) The accounts of a machine manufacturing company disclose the following information for the six months ending 31st December 2008.

Materials used Rs.1,50,000; Direct wages Rs.1,20,000; Factory Overheads Rs.30,000 and Administrative Expenses Rs.15,000.

Prepare the Cost Sheet of the machines and calculate the price which the company should quote for the manufacture of a machine requiring materials valued Rs.1,250 and expenditure in productive wages Rs.750 so that the price might yield a profit of 20% on the selling price.

(OR)

b) The information given below has been taken from the cost records of a factory in respect of Job No: 707:

Material Rs.4,010

Wages details:

Dept: A = 60 hours at Rs.3 per hour

B = 40 hours at Rs.2 per hour

C = 20 hours at Rs.5 per hour

The variable overheads are as follows:

Dept: A = Rs.5,000 for 5,000 hours

B = Rs.3,000 for 1,500 hours

C = Rs.2,000 for 500 hours

Fixed expenses estimated at Rs.20,000 for 10,000 working hours.

Calculate the cost of the Job No.707 and the price for the Job to give a profit of 25% on the selling price.

SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS

(16th QUESTION IS COMPULSORY)

(K4/ K5)

16. Distinguish between financial accounting and cost accounting.

17. The following transactions took place in respect of an item of material:

Date	Receipts (Qty)	Rate (Rs.)	Issue (Qty)
02.9.2015	200	2.00	
10.9.2015	300	2.40	
15.9.2015			250
18.9.2015	250	2.60	
20.9.2015			200

Record the above transactions in the stores ledger, pricing the issues at:

- Simple average rate method
- Weighted average rate method.

18. On the basis of the following information, calculate the earnings of A and B under Straight Piece rate system and Taylors Differential Piece rate system:

Standard production – 8 units per hour

Normal time rate – Re.0.40 per hour

Differentials to be applied:

80% of Piece rate below Standard

120% of Piece rate at or above Standard.

In a nine-hour day A produces 54 units and B produces 75 units.

19. The following particulars relate to a manufacturing company which has three production departments P1, P2 and P3 and two service departments S1 and S2.

	Departments				
	P1	P2	P3	S1	S2
Total department overheads as per primary distribution Rs.	6,300	7,400	2,800	4,500	2,000

The company decided to charge the service department cost on the basis of following percentages:

Service departments	Production department			Services departments	
	P1	P2	P3	S1	S2
S1	40%	30%	20%	---	10%
S2	30%	30%	20%	20%	---

Find the total overhead of production departments charging service departments costs to production department on

- Repeated distribution and
- Simultaneous equation method.

20. A product is finally obtained after it passes through three distinct processes. The following information is available from the cost records.

	Process – I Rs.	Process – II Rs.	Process – III Rs.	Total Rs.
Materials	2,600	2,000	1,025	5,625
Direct wages	2,250	3,680	1,400	7,330
Production overheads	-	-	-	7,330

500 units @ Rs.4 per unit were introduced in Process I. Production overheads are absorbed as a percentage of direct wages.

The actual output and normal loss of the respective process are given below:

	Output (units)	Normal loss as a percentage of input	Value of scrap (per unit)
Process I	450	10%	Rs.2
Process II	340	20%	Rs.4
Process III	270	25%	Rs.5

Prepare the process accounts and the abnormal gain / loss accounts.

21. Mr. S owns a fleet of taxis and the following information is available from the records maintained by him:

Number of taxis	-	10
Cost of each taxi	-	Rs.54,600
Salary of manager	-	Rs.700 p.m.
Salary of accountant	-	Rs.500 p.m.
Salary of cleaner	-	Rs.200 p.m.
Salary of Mechanics	-	Rs.400 p.m.
Garage rent	-	Rs.600 p.m.
Insurance premium	-	5% p.a.
Annual tax	-	Rs.900 per taxi
Driver's salary	-	Rs.350 p.m. per taxi
Annual repairs	-	Rs.1,000 per taxi

Total life of a taxi is about 2,00,000 kms. A taxi runs, in all, 3,000 kms. in a month and 30% of this distance has to be run without any passenger. Petrol consumption is one liter for every 10 kms. @ Rs.4.41 per liter. Oil and other sundries are Rs.10.50 per 100 kms.

Calculate the cost of running a taxi per km.
