

(FOR THE CANDIDATES ADMITEED
DURING THE ACADEMIC YEAR 2022 ONLY)

22PCC309

REG.NO:

N.G.M. COLLEGE (AUTONOMOUS): POLLACHI
END-OF-SEMESTER EXAMINATION: NOVEMBER2023
COURSE NAME: M.Com.- CA **MAXIMUM MARKS: 50**
SEMESTER : III **TIME:3 HOURS**

APPLIED COST ACCOUNTING

SECTION –A (10X1=10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

K1

MULTIPLE CHOICE QUESTIONS.

1. The main purpose of cost accounting is _____.
(a) To calculate profit (b) To control an analyze cost
(c) To manage customer relationships (d) To advertise products.
2. Material control is essential for ensuring _____.
(a) Appropriate stock levels (b) Enhanced sales techniques
(c) Better external reporting (d) improved customer services.
3. In the LIFO inventory methods, which items are issued first?
(a) The newest items (b) The oldest items
(c) The most expensive items (d) None of the above
4. Overhead costs are also known as _____.
(a) prime costs (b) Direct costs (c) Burden costs (d) Material costs.
5. Direct materials, Direct labor, and applied overhead are all components of _____.
(a) prime costs (b) Conversion cost (c) Total job cost (d) Indirect cost.

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

K2

6. What are the Elements of cost?
7. Why is Budgeting important in management accounting?
8. Write a short note on 'Rowan plan'.
9. What's the primary function of standard costing in management accounting?
10. How is job costing used in cost accounting?

SECTION –B (5X3=15 MARKS)

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

K3

11. a) What are the primary objectives of cost accounting?

(OR)

- b) During the year 2022, X Ltd., produced 50,000 units of a product. The following were the expenses:

	Rs.
Stock of raw materials on 01.01.2022	10,000
Stock of raw materials on 31.12.2022	20,000
Purchases	1, 60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a cost sheet showing Cost per unit and Total cost at each stage.

(CONTD....2)

12. a) List down the Merits and Demerits of FIFO method.

(OR)

b) From the following data. Calculate the labor turnover under replacement method and flux method.

Number of employees at the beginning of the month 200

Number of employees at the end of the month 240

Number of employees resigned 20

Number of employees discharged 5

Number of employees replaced 18

13.a) Calculate the earnings of a worker under Halsey plan and Rowan plan, from the following data.(i) Time allowed 40 hours (ii) Time taken 30 hours (iii) Rate Rs.3 per hour.

(OR)

b) Indicate the basis you would adopt for apportionment of the following items of overhead expenses to different departments. (i) Factory overhead (ii) Factory lighting (iii) power (iv) Deprecation of plant and machinery (v) Insurance of plant and machinery and fire insurance of stock. (vi) Welfare expenses (vii) material handling charges (viii) indirect material (ix) indirect wages (x) Supervision.

14.a) The standard material required to manufacture one unit of product A is 5 kgs and the standard price per kg of material is Rs.30. The cost accountant's records, however, reveal that 16,000 kgs of material costing Rs.5, 20,000 were used for producing 3,000 units of product A. Calculate the variance.

(OR)

b) What is a cost variance? List the main types of cost variances.

15.a) Modern printers undertook two jobs during the 1st week of June 2022. The following details are available.

	Job 110	Job 12
	Rs	Rs
Material Supplied	4,000	2,000
Wages paid	900	600
Direct expenses	200	100
Material Transfer from Job 120 to 110	200	200
Material returned to stores	-	100

Find the cost of each job and Profit or Loss if any, assuming that job 120 is completed and invoiced to the customer at Rs.3, 000.

(OR)

b) What is the difference between job costing and contract costing?

SECTION –C (5X5=25 MARKS)

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

K4 & K5

16.a) Following information has been obtained from a manufacturing company:

	01.01.2022	31.12.2022
	Rs.	Rs.
Stock of Raw Materials	40,000	50,000
Stock of Finished Goods	1, 00,000	1, 50,000
Stock of Work- in- Progress	10,000	14,000

Transactions During the year:

	Rs.		Rs.
Indirect Labour	50,000	Carriage Outward	20,000
Lubricants	10,000	Power	30,000
Insurance on plant	3,000	Direct Labour	3, 00,000
Purchase of Raw Material	4, 00,000	Depreciation on Machinery	50,000
Sales Commission	60,000	Factory Rent	60,000
Salaries of Sales men	1, 00,000	Property Tax on Factory Building	11,000
Administration Expenses	1, 00,000	Sales	12, 00,000

(CONTD....3)

Prepare the statement of Cost sheet and Profit showing: (a) Cost of Raw material Consumed, (b) Prime Cost, (c) Total Manufacturing Cost, (d) Factory Manufacturing Cost, (e) Cost of Production, (f) Cost of Goods Sold, (g) Cost of Sales and (h) Profit.

(OR)

b) What are the Difference between Cost Accounting and Financial Accounting?

17.a) Two components X and Y are used as follows:

Minimum Usage	:	50units per week each.
Maximum Usage	:	150 units per week each.
Normal Usage	:	100 Units per week each.
Ordering Quantities	:	X- 600 Units Y- 1,000 Units
Delivery Period	:	X – 4 to 6 Weeks. Y – 2 to 4 Weeks.

Maximum reorder period for emergency purchases X: 2 Weeks, Y: 2 Weeks.

Calculate for each Component:

- (a) Reordering Level
- (b) Maximum Level
- (c) Minimum level
- (d) Danger Level.

(OR)

b) From the following data given by the Personal Department, Calculate the Labour Turnover rate by applying: (a) Separation Method (b) Replacement Method (c) Flux Method.

No. of workers on the payroll:

At the beginning of the month 900

At the end of the month 1,100

During the month 10 Workers left; 40 Workers were discharged and 150 workers were recruited. Of these, 25 workers are recruited in the vacancies of those leaving while the rest were engaged for an expansion scheme.

18.a) Kumaresh Ltd. has three production department P1,P2,and P3 and two service department S1 and S2. The following figures are extracted from the records of the company:

- (i) Rent and Rates Rs. 5,000
- (ii) Indirect wages Rs.1, 500
- (iii) Depreciation of Machinery Rs. 10,000
- (iv) General Lighting Rs. 1,500
- (vi) Sundries Rs. 10,000.

Following further details are available:

	Total	P1	P2	P3	S1	S2
Floor space (sq. meters)	10,000	2,000	2,500	3,000	2,000	500
Light point	60	10	15	20	10	5
Direct wages (Rs.)	10,000	3,000	2,000	3,000	1,500	500
H.P of machines	150	60	30	50	10	—
Value of machinery (Rs.)	2, 50,000	60,000	80,000	1, 00,000	5,000	5,000

Appropriate the cost of various departments on the most equitable basis by preparing a primary Department Distribution Summary.

(OR)

b) What are the classifications of overheads?

- 19.a) Gemini Chemical Industries provide the following information from their records: For making 10 kgs .of GEMCO ,the standard material requirement is

Material	Quantity Kgs.	Rate per kg. Rs.
A	8	6.00
B	4	4.00

During April 2022, 1000 kgs. Of GEMCO were produced. The actual consumption of material is as under:

Material	Quantity Kgs.	Rate per kg. Rs
A	750	7.00
B	500	5.00

Calculate: (a) Material Cost Variance (b) Material Price Variance (c) Material Usage Variance.

(OR)

- b) Calculate Overhead Variance from the following Data:

	Standard	Actual
Fixed Overhead (Rs.)	8,000	8,500
Variable Overheads (Rs.)	12,000	11,200
Output in units	4,000	3,800

- 20.a) A factory follows job costing. The following cost data are obtained from its books for the year ending 31st December, 2022:

	Rs.
Direct materials	90,000
Direct Wages	75,000
Profit	60,900
Selling and Distribution Overheads	52,500
Administration overheads	42,000
Factory Overheads	45,000

Prepare a job cost sheet and find out overhead recovery rates and percentage of profit on sales.

(OR)

- b) The following are the expenses of Balaji &Co., in respect of a contract which commenced on 1st January 2022:

	Rs.
Material purchased	50,000
Material on hand	2,500
Direct Wages	75,000
Plant issued	25,000
Direct Expenses	40,000

The contract price was Rs. 7, 50,000 and the same was duly received when the contract was completed in August 2022. Charge indirect expenses at 15 % on wages: provide Rs.5, 000 for depreciation on plant and prepare the contract account and the contractee's Account.
