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(FOR THE CANDIDATES ADMITTED

20UBI409

DURING THE ACADEMIC YEAR 2020 ONLY)

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS: JULY 2022

B.COM-BI

MAXIMUM MARKS: 70

SEMESTER-IV

TIME : 3 HOURS

PART - III

COST ACCOUNTING

SECTION - A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Basic objective of cost accounting is_____.

- a) Cost ascertainment b) Profit analysis c) Financial Audit d) Tax Compliance

2. A method of stock valuation seldom used by companies is_____.

- a) Standard Cost b) FIFO c) LIFO d) WAC

3) Direct Expenses are also called _____.

- a) Major Expenses b) Chargeable Expenses c) Sundry Expenses d) Sundry Expenses

4) Process costing is suitable for _____.

- a) Hospitals b) Oil Refining firms c) Transport Firms d) Brick Laying Firms

5) Difference between job time and attendance time is _____.

- a) Job time b) Actual time c) Over time d) Idle time

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. Define the term costing.

7. Define bin card.

8. How to measure labour cost?

9. Write a short note on abnormal loss.

10. Define contract costing with example.

(CONTD...2)

SECTION – B**(5 X 4 = 20 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Describe the elements of cost.

(OR)

b) A factory produces 100 units of a commodity. The cost of production is:

Material Rs.10000

Wages Rs.5000

Direct Expenses Rs.1000

Factory OHS are 125% on wages.

Office OHS are 20% on works cost.

Expected profit is 25% on sales. Calculate the price to be fixed per unit.

12. a) The following information is provided by Coorg Coffee manufacturing unit for April 2016.

Material – A:

	Date	Units	Rate per unit
Stock	1 st April	100	5
Purchase	5 th	300	6
Purchase	8 th	500	7
Purchase	12 th	600	6
Issues	6 th	250	-
Issues	10 th	400	-
Issues	14 th	500	-
Calculate the value of materials consumed during the period under LIFO method.			

(OR)

b) The following information pertaining to a firm is available.

Annual Consumption	12000 units (360 days)
Cost per unit	Re.1
Cost per order	Rs.12
Inventory carrying cost	20% p.a
Lead Time (Max, Nor. and Min)	30 – 15 – 5 (days)
Daily Consumption (Max, Nor. and Min)	45 – 33 – 15 (units)
Calculate inventory levels.	

13. a) Compute the direct material percentage rate for overheads absorption from the following.

Factory overheads budgeted for 2010 Rs.2,30,000

Cost of direct material estimated to be consumed Rs.4,60,000

(OR)

b) A worker is paid at 25 paise per hour, for completing a work within 8 hours. If he completes the work within 6 months, calculate his wages under halsey plan when the rate of premium is 50%. Also ascertain the effective hourly rate of earnings by the worker.

(CONTD...2)

14. a) A Product is obtained after passing through 2 stages.

	Stage 1
Direct Materials	5,200
Direct labour	4,000
Output in units	950
Normal Loss	5%
Value of Scrab PU in Rs	4

1,000 units @ Rs.6 each were introduced in process 1 and there was no stock of materials at the beginning at end.

The Production OHS was 18,000

Prepare Process account, indicating normal loss and abnormal loss/gain.

(OR)

b) Describe the features of process costing.

15. a) Calcutta Construction Ltd. undertook a contract for construction of a bridge on 1st July, 1991.

The contract price was Rs.5,00,000. The Company incurred the following expenses up to December, 1991:

	Rs
Materials consumed	110000
Wages	40000
Direct Expenses	20000
Plant purchased	100000
Materials in hand	5000

- Depreciation 10% p.a. on plant
- Charge other works expenses @ 20% of wages and office expenses @ 10% of works cost.
- The amount certified by the engineer was Rs.3,00,000, retention money being 20% of the certified value.

Prepare the Contract Account showing therein the amount of profit that the company can reasonably take to its Profit and Loss Account.

(OR)

b) Prepare a reconciliation statement from the following figures so as to ascertain the profit as per the financial accounts.

	Rs
Loss as per cost accounts	1000
Closing stock undervalued in cost accounts	500
Goodwill w/o	2000
Profit on sale of machinery	12000
Interest on Bank Loan	1215
Works overheads over recovered in cost accounts	2215

SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS

(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS

(FROM Qn. No : 17 to 21)

(K4 (Or) K5)

16. Prepare Cost Statement for the month of July 2020.

	Rs.
Raw Materials Purchases	55,000
Closing Stock	3,000
Productive Wages	2,500
Labour	6,000
Direct Expenses	3,300
Factory - Salary	7,000
Rent for Office	7,500
Coal and Mine	2,000
Stationary	300
Salesman Commission	6,800
Repairs and Maintenance	4,000
Advertisement Exps	7,200
Commission for Sales	4,300
Bonus to Workers	4,500
Sawdust	2,000
Sales	1,76,000
Factory Manager Remuneration	20,000
Opening: WIP	4,000
Finished Goods	10,000
Closing: WIP	4,000
Finished Goods	5,500

17. Distinguish between cost accounting and financial accounting.

18. X Ltd purchased and issued the materials in the given order.

	Date	Units	Rate per unit
Purchase	1 st March	300	3
Purchase	5 th	500	4
Issues	10 th	500	-
Purchase	12 th	700	4.50
Issues	15 th	700	-
Purchase	20 th	300	5
Issue	30 th	150	-

Ascertain the value of closing stock as on 31st march and state its value under weighted average method.

(CONTD...5)

19. Finolex Co. Ltd. has three production departments and four service departments.

The expenses of these departments as per primary distribution summary were as follows:

Production Dept:	X	Rs.	90,000	
	Y	Rs.	1,17,000	
	Z	Rs.	72,000	2,79,000
Services Dept:	Stores	Rs.	9,000	
	Timekeeping	Rs.	13,500	
	Power	Rs.	5,400	
	Canteen	Rs.	6,000	<u>33,900</u>
				3,12,900

The following information is also available in respect of production departments:

	X	Y	Z
HP of Machines	1200	900	600
No of workers	120	80	40
Value of Store required	7500	6000	4500

Apportion the cost of various service departments to the production departments.

20. Zavoiut Ltd will get finished product after completion of three stages.

	Stage 1	Stage 2	Stage 3
Direct Materials	10,000	14,000	22,000
Direct Labour	7,000	13,500	23,000
Direct Expenses	6,000	7,500	5,000
Production OHS	3,000	4,500	5,000

100 units were introduced at Rs.10 each during stage 1 and there is no stock.

Prepare Processes account.

21. In a manufacturing company, the profit as revealed by the costing records is Rs,9000 while the same as shown by financial books of the company is Rs.4200. The following items are not recorded in cost accounts. Prepare reconciliation statement.

	Rs
Cash discount allowed	400
Expense incurred for transferring the company's office	600
Damage payable at law	1000
Staff pensions	800
Penalty paid for late completion of contract	2000
Works overheads over recovered in cost accounts	2215