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(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2024 ONLY)

SUB CODE: 22UBI409

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS: MAY/JUNE -2024

B.Com –B&I **MAXIMUM MARKS: 50**

SEMESTER -IV **TIME: 3 HOURS**

PART - III
COST ACCOUNTING

SECTION - A **(10 X 1 = 10 MARKS)**

ANSWER THE FOLLOWING QUESTIONS.

1. The total of all direct expenses is known as_____.

a)Prime cost b) Work cost c)Factory cost d) Total cost **K1**

2. Re-ordering level = Maximum consumption x _____.

a) Minimum reorder period b) Maximum reorder period

c) Average reorder period d) Normal re- order period.

3. Bonus under Halsey Plan is paid_____.

a) At 100% of time saved b) At75% of time saved

c) At 80% of time saved d) At 50% of time saved.

4. Process cost is ascertained and recorded in_____.

a) Balance sheet b) Profit and loss account

c) Separate statement d) Separation account in ledger

5. Contract costing is a nature of_____.

a) Standard costing b) Job costing c) Marginal costing d) Unit costing

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

6. Define costing. **K2**

7. Extend the term LIFO.

8. What is meant by labour turnover?

9. Name the major elements of process costing.

10. What do you mean by sub-contract?

(CONTD.....2)

SECTION – B (5 X 3 = 15 MARKS)

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

11. a) Bring out the objectives of cost accounting. **K3**

(OR)

b) From the following particulars prepare cost sheet:

Direct materials	Rs. 8,000
Direct wages	Rs. 6,000
Direct expenses	Rs. 2,500
Administrative overheads	Rs. 4,000
Factory overheads	Rs. 5,000
Sales	Rs. 40,000

12. a) Calculate Economic Order Quantity from the following information:

Annual usage	600 units
Cost of placing an order	Rs.12
Price of material per unit	Rs.20
Cost of storage	20%

(OR)

b) In a company, weekly minimum and maximum consumption of material A are 25 and 75 units respectively. The recorder quantity as fixed by the company is 300 units. The material is received within 4 to 6 weeks from issue of supply order. Calculate minimum level and maximum level of material A.

13. a) From the following information calculate the labour turnover rate:

Number of workers at the beginning of the period: 3800
Number of workers at the end of the period : 4200

During the year, 40 workers left while 160 workers are discharged. 600 workers are recruited during the year of these 150 workers are recruited to fill up vacancies and the rest are engaged on account of an expansion scheme.

(OR)

b) Calculate the direct material percentage rate for overhead absorption from the following:
factory overhead budgeted for 2010= Rs.3,00,000

Cost of direct material estimated to be consumed during 2010= Rs.5,00,000

14. a) A product passes through two processes. The following details relate to process ‘A’. You are required to ascertain the process cost to be transferred to process ‘B’.

(CONTD.....3)

	Rs.
Direct materials (100 units)	12,000
Direct wages	8,000
Direct expenses	5,000
Overheads	11,000

Input 1000 units; output 1000 units as there was no loss of units.

(OR)

b) Prepare a process account from the following along with abnormal loss account and normal loss account.

Material issued to process 1000 kgs at Rs.200 each; wages Rs.1,40,000 and overhead Rs.20,000. Normal loss 10% of input. Actual output 800 kgs.

15.a) Seema& Co., undertook a contract for construction of a private house. Contract price was Rs.40,00,000. The following were the details:

			Rs.
Materials send to contract site			16,00,000
Labour:	Skilled	6,00,000	
	Unskilled	4,00,000	10,00,000
Subcontracts for plumbing and electricity			4,00,000
Sundry expenses			2,00,000
Closing stock of materials at site			1,00,000

Prepare contract account and determine the profit or loss.

(OR)

b) Explain the importance of Reconciliation.

SECTION - C (5 X 5 = 25 MARKS)

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

16.a) Distinguish between cost accounting and financial accounting. **K4**

(OR)

b)The following details have been obtained from the cost records of Raja Sekhar Ltd.

	Rs.
Stock of raw materials on 1st Dec 2010	75,000
Stock of raw materials on 31st Dec 2010	91,500
Direct wages	52,500
Indirect wages	2,750
Sales	2,11,000
Work-in-progress 1st Dec 2010	28,000
Work-in-progress 31st Dec2010	35,000
Purchases of raw materials	66,000
Factory rent, rates and power	15,000
Depreciation of plant and machinery	3,500
Expenses on purchases	1,500

(CONTD.....4)

Carriage outwards	2,500
Advertising	3,500
Office rent and taxes	2,500
Traveller's wages and commission	6,500
Stock of finished goods (1st Dec 2010)	54,000
Stock of finished goods (31st Dec 2010)	31,000

Prepare a cost sheet giving the maximum possible break up costs and profit.

17.a) Two components A and B are used as follows:

Reordering quantity	: A 1,200 units
	B 1,000 units
Reordering period	: A 2 to 4 weeks
	B 3 to 6 weeks
Normal usage	: 300 units per week each
Minimum usage	: 150 units per week each
Maximum usage	: 450 units per week each

You are required to calculate the following for each of the components.

(a)Reordering level (b) Maximum level (c) Minimum level (d) Average stock level.

(OR)

b) From the particulars given below write up the stores ledger card:

1988, January

1 Opening stock 1,000 units at Rs.26 each.

5 Purchased 500 units at Rs.24.50 each.

7 Issued 750 units.

10 Purchased 1,500 units at Rs.24 each.

12 Issued 1,100 units.

15 Purchased 1,000 units at Rs.25 each.

17 Issued 500 units

18 Issued 300 units

25 Purchased 1,500 units at Rs.26 each

29 Issued 1,500 units

Adopt the FIFO method of issue and ascertain the value of the closing stock.

18.a) From the following particulars, calculate earnings of a worker under:

(i)Time rate system (ii) Piece wage rate (iii) Halsey plan and (iv) Rowan plan

Wage rate- Rs.2 per hour

(CONTD.....5)

Production per hour- 4units
Dearness allowance- Re.1 per hour
Standard time fixed- 80 hours
Actual time taken- 50 hours
Production- 250 units

(OR)

b) Calculate the overhead allocable to production departments A and B from the following:

There are two service departments X and Y. X renders service to A and B in the ratio of 3:2 and Y renders service to A and B in the ratio of 9:1. Overhead as per primary overhead distribution is:

A-Rs.49,800; B-Rs.29,600; X-Rs.15,600; Y-Rs.10,800.

19.a) A product passes through three processes 'X''Y' and 'Z' to its completion. During September 2006, 5,000 units of finished product were produced and the following expenses were incurred:

	Process X(Rs.)	**Process Y(Rs.)**	**Process Z(Rs.)**
Material	5,000	10,000	5,000
Direct wages	25,000	20,000	15,000
Direct expenses	2,500	3,000	5,000

Indirect expenses amount Rs.30,000 which are to be apportioned to the processes on the basis of direct wages. Raw materials worth Rs.30,000 were issued to process 'X'. Ignore the question of process stocks and prepare the process accounts, showing cost per unit in each process.

(OR)

b) 100 units are introduced into process I at a cost of Rs.9,600 and expenditure of Rs.4,800 is incurred. From past experience, it is ascertained that wastage normally arises to the extent of 15% of units introduced. This wastage is having a scrap value of Rs.10 per unit. The actual output of process I is 90 units, transferred to process II. Prepare I Account, Abnormal Gain Account and Normal Loss Account.

20.a) The following is the information relating to contract No.123

	Rs.
Contract price	6,00,000
Wages	1,64,000
General expenses	8,600
Raw materials	1,20,000
Plant	20,000

As on date, cash received was Rs.2,40,000 being 80% of work certified. The value of materials remaining at site was Rs.10,000. Depreciated plant by 10%.Prepare contract Account showing profit to be credited to P & L A/c.

(CONTD.....6)

(OR)

b) Describe the preparation of reconciliation statements. **K4**

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