

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

SUBJECT CODE **22UEC412**

REG.NO.

**N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI**  
**END-OF-SEMESTER EXAMINATIONS : MAY – 2024**

**B.Com. – E.COMMERCE**

**MAXIMUM MARKS: 50**

**SEMESTER : IV**

**TIME : 3 HOURS**

**PART – III**

**COST ACCOUNTING**

**SECTION – A (10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS. (K1)**

**MULTIPLE CHOICE QUESTIONS.**

1. Primary 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. Formula for Rowan Plan \_\_\_\_\_  
a)  $TT * RPH + TS / TA * TT * RPH$       b)  $TT * RPH + TS / TA * TT * RPD$   
c)  $TT * RPH + TS / TA * ST * RPH$       d)  $TT * RPH + TA / TA * TT * RPH$
4. Direct Expenses are also called \_\_\_\_\_.  
a) Major Expenses      b) Chargeable Expenses  
c) Sundry Expenses      d) Sundry Expenses
5. Process costing is suitable for \_\_\_\_\_.  
a) Hospitals      b) Oil Refining firms      c) Transport Firms      d) Brick Laying Firms

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. (K2)**

6. Define the term Tender.
7. Define danger level.
8. List the formula for time rate.
9. What is MHR?
10. Define the term normal loss.

**SECTION – B (5 x 3 = 15 MARKS)**

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

11. a) Describe the Objectives of cost accounting.

(OR)

(CONTD .... 2)

- 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 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.	

(OR)

- b) The following information is provided by Coorg Coffee manufacturing unit for April 2016.

Material – A:

	Date	Units	Rate per unit
Stock	1 <sup>st</sup> April	100	5
Purchase	5 <sup>th</sup>	300	6
Purchase	8 <sup>th</sup>	500	7
Purchase	12 <sup>th</sup>	600	6
Issues	6 <sup>th</sup>	250	-
Issues	10 <sup>th</sup>	400	-
Issues	14 <sup>th</sup>	500	-

Calculate the value of materials consumed during the period under LIFO method.

13. a) 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.

(OR)

- b) 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

(CONTD .... 3)

14. a) Compute labour hour rate from the following.
- |                            |              |
|----------------------------|--------------|
| Total number of workers    | 100          |
| Working days in a year     | 300          |
| No of hours per day worked | 8            |
| Idle times                 | 5%           |
| Factory OHS                | Rs.11,40,000 |
| Gift to Workers            | Rs.7000      |

(OR)

- b) Calculate MHR to cover OHS expenses given below.

	Per Hour (Rs)		Per Year (Rs)
Electric Power	0.75	Rent	270
Steam	0.30	Repairs	550
Water	0.20	Running hrs	2000

Original cost of the machine is Rs.15000. Book Value is Rs.3500. Replacement Value Rs.11500. Depreciation at 10% on original cost.

15. 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 Scrap 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.

**SECTION – C**

(5X5=25 MARKS)

**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K4/K5)**

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

(OR)

(CONTD .... 4)

- b) Prepare Cost Statement for the month of July 2020.

	<b>Rs.</b>
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.a) X Ltd purchased and issued the materials in the given order.

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

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

(OR)

- b) Discuss the different methods of material issues.
18. a) Calculate earnings of 3 workers A,B and C under Merrick's bonus plan from the given details.

	<b>In units</b>
Std Production	120
Production of A	90
Production of B	100
Production of C	130
Ordinary Piece Rate	Re.0.10

(OR)

(CONTD .... 5)

- b) From the following data, calculate the total earnings of a worker under:

i) Halsey Premium Plan:	
Hourly Rate	Rs.2
Std Time	16 hrs
Time Taken	12 hrs
ii) Halsey Weir Premium Plan:	
Time Allowed	48 hrs
Time Taken	40 hrs
Rate per Hour	Rs.3

19. a) Raybon 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
No of workers		120	80
Value of Store required		7500	6000
			4500

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

(OR)

- b) Summarize the various apportionment of overheads with suitable examples.
20. a) A Liquid medicine passes through 3 processes. During the month of January 2017, 600 bottles were produced.

	Process X	Process Y	Process Z
Materials	4,000	2,000	1,500
Labour	3,000	2,500	2,300
Direct Expenses	600	200	500
Cost of Bottle	-	2,030	-
Cost of Corks	-	-	325

Indirect expenses were Rs.1600. In process Y, the by-products were sold for Rs.240. In process Z the residue were sold for Rs.125. Prepare Process Accounts.

(OR)

20. b) Narain 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.