

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

(NO OF PAGES: 4)

21 UIB 203

REG.NO

NGM COLLEGE (AUTONOMOUS) POLLACHI  
END-OF-SEMESTER EXAMINATIONS: JULY- 2022

B.COM -IB  
II SEMESTER

MAXIMUM MARKS: 70  
TIME: 3 HOURS

PART III

COST AND MANAGEMENT ACCOUNTING

SECTION – A

(10 X1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS

MULTIPLE CHOICE QUESTIONS

(K1)

1. Element/s of Cost of a product are: \_\_\_\_\_  
a) Material only  
b) Labour only  
c) Expenses only  
d) Material, Labour and expenses
2. ....is the purchase of materials at such a time that delivery immediately precedes demand or use.  
a) Reorder level  
b) JIT  
c) FIFO  
d) EOQ
3. Which method of reapportionment of overheads apportions costs of service departments only to production departments?  
a) Direct Redistribution  
b) Step Ladder  
c) Simultaneous Equation  
d) Repeated Distribution
4. Sales budget is .....  
a) Expenditure budget  
b) Functional budget  
c) Financial budget  
d) Flexible budget
5. Fixed cost are .....  
a) Variable costs  
b) Direct costs  
c) Prime costs  
d) Overhead costs

ANSWER THE FOLLOWING IN ONE OR TWO SENTENCES

(K2)

6. Define cost
7. Write down the causes of idle time.
8. What is overheads?
9. What is budget?
10. Explain the marginal cost equation

(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 advantages of cost accounting.  
**(OR)**  
b) Compare cost accounting and financial accounting.
12. a) Construct the earnings of worker A and B under straight Piece –rate System and Taylor’s Differential Piece –rate System from the following particulars:  
Normal rate per hour =Rs.1.80  
Standard time per unit= 20 seconds  
Differentials to be applied:  
80 % of piece rate below standard  
120 % of piece rate at or above standard.  
Worker A produces 1,300 units per day and worker B produces 1,500 units per days  
**(OR)**  
b) Calculate the earnings of workers A , B and C under straight piece rate system and Merrick’s multiple piece rate system from the following particulars:  
Normal rate per unit Rs.18  
Standard time per unit 1 minute  
Output per day is as follows:  
Worker A : 384 units  
Worker B : 450 units  
Worker C : 552 units  
Working hours per day are 8.
13. a) From the particular furnished below Compute a machine hour rate ( including shop expenses )  
Name of equipment : BAML mobile crane No. 333054  
5 tonnes 15 H sweep  
Date of purchase : 1-4-2002  
Make : BAML load Lift corporation Ltd  
Cost : Rs. 50,000  
Power : diesel 10 Hp engine  
Estimated life : 10 years  
Depreciation : :121/2 % P.A on orginal cost  
Insurance : Rs. 300.p.a  
Repair : Rs. 700 p.a  
Consumable stores : Rs. 300 p.a  
Rent : Rs. 800.p.a  
Supervision (1/5 for the machine : 1,300 p.a)  
Assume that crane can work 200 hours in a month and had actually worked for 80 % of the normal working hours. Cost of diesel oil etc. per hour is Rs. 1.50  
**(OR)**  
b) Show the different classifications of overhead.

**(CONTD....3)**

14. a) A manufacturing company submits the following figures of a product for the first quarter of 2006
- |            |                 |
|------------|-----------------|
| Sales unit | January 30000   |
|            | February 25,000 |
|            | March 35,000    |
- Selling price per unit Rs. 20  
 Target of 1<sup>st</sup> quarter 2007  
 Sales quantity increase 10 %  
 Sales price increase 10 %
- Find the sales budget for the first quarter of 2007.

(OR)

- b) List out the importance of budgetary control
15. a) From the following details, find out
- |                |             |                       |
|----------------|-------------|-----------------------|
| a) P/V Ratio   | b) B.E.P    | c) Marginal of safety |
| Sales          | Rs.1,00,000 |                       |
| Variable costs | Rs. 60,000  |                       |
| Fixed costs    | Rs. 20,000  |                       |
| Net profit     | Rs. 20,000  |                       |
- b) List out the importance of marginal costing.

(OR)

**SECTION - C****(4 X 10 = 40 MARKS)****ANSWER ANY FOUR OUT OF SIX QUESTIONS.****(16TH QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS FROM Q.NO: 17 TO 21 )****(K4) OR (K5)**

16. Prepare a chart showing the different elements of cost.
17. The following information has been obtained from the record of left center corporation for the period from January 1 to June 30, 2005

	2005 on January 1 Rs	2005 on June 30 Rs.
Cost of raw material	30,000	25,000
Cost of work –in progress	12,000	15,000
Cost of stock of finished goods	60,000	55,000
Transaction during six month are:		
Purchase of raw materials	4,50,000	
Wages paid	2,30,000	
Factory overheads	92,000	
Administration overheads	30,000	
Selling and distribution overheads	20,000	
Sales	9,00,000	

Prepare

- i) Cost sheet showing
- |                          |                 |
|--------------------------|-----------------|
| a) Material consumed     | b) prime cost   |
| c) Factory cost incurred | d) Factory cost |
- ii) Income statement in traditional form for the six month showing gross profit and net profit

**(CONTD....4)**

18. The stock of material A as on 1st June 2002 is 500 units at Re. 1 per unit following Purchases and issues of this item were made subsequently:

	Receipt quantity (unit )	Rate per unit (R.s)	Issue quantity (unit)
June 6			200
June 10	400	1.10	
June 15	300	1.20	
June 20			500
June 21			200
June 24	500	1.30	
June 25			300
June 28			200

Prepare a stores ledger Account showing how the value of the above issue show be arrived under the base stock method when it operates in conjunction with LIFO .Base stock is 200 unit

19. Compute the machine hour rate so as to cover the overhead expenses given below :

	Per hour
Electric power	70 paise
Steam	35 paise
Water	10 paise
Repairs	Rs. 680.pa
Rent	Rs.350 p.a
Other information available were :	
Original cost of machine	Rs.15,000
Present book value	Rs. 3,000
Replacement value	Rs. 10,000
Rate of depreciation	10 % p.a
Running hours of the machine	2,400

20. Classify the different types budgetary control.
21. Assuming that the cost structure and selling price remain the same in period I and II, find out
- P/V Ratio
  - fixed cost and B.E.P
  - Profit when sales are Rs. 10,000
  - Sales required to earn a profit of Rs. 20,000
  - Margin of safety for II period

Period	Sales	Profit
I	Rs. 1,20,000	Rs. 9,000
II	Rs.1,40,000	Rs.13,000