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(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2022-2023 ONLY)

SUBJECT CODE 22 UCO 512

REG.NO.

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

END-OF-SEMESTER EXAMINATIONS : NOVEMBER – 2024

B.Com. (AIDED & SF) **MAXIMUM MARKS: 50**

SEMESTER : V **TIME : 3 HOURS**

PART – III

COST ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

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

1. Classification of cost is useful to ----------
   a) Find gross profit b) Find net profit c) To identify costs d) Find Cross profit
2. ABC analysis is ----------
   a) Always best control b) Advantage of better control
   c) At best control d. All better control
3. Halsey premium scheme is ------
   a) Individual incentive scheme b) Group incentive scheme
   c) Time and piece wage system d) Differential piece wage system
4. Which method of costing is used in mass production industries ------
   a) Job costing b) Batch costing c) Contract costing d) Process costing
5. Job costing is the most suitable method for ----
   a) Oil processing units b) Transport companies c) Sugar industry d) Repair shops

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

6. Trace out the meaning of Cost Control.
7. Explain – VED Analysis.
8. Write a note on 'Idle Time'.
9. Show the meaning of Process Costing.
10. Trace out the meaning of Transport Costing.

SECTION – B (5 X 3 = 15 MARKS)

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

11. a) From the following calculate Works Cost:
    Materials Rs.64,500; Direct Wages Rs. 80,000; Factory Overheads Rs.29,500; Opening Stock of Work - in -Progress Rs. 13000; and Closing Stock of Work - in -Progress Rs. 34,500.

(CONTD …. 2)

(OR)

b) The accounts of ABC Co. Ltd. Show the following:

Material used Rs.7,00,000

Direct labour Rs.5,40,000

Works overheads Rs.1,62,000

Establishment overheads Rs.1,12,600

What price should the company quote to manufacture a machine which will require an expenditure of Rs.1,000 in materials and Rs.800 in wages so that it will yield a profit of 20% on selling price? Make necessary assumptions regarding percentages.

12. a) From the following particulars, calculate the economic order quantity and tabulate your results:

Annual requirements: 1,600 units

Cost of materials per unit: Rs. 40

Cost of placing and receiving one order: Rs.50

Annual carrying cost of inventory: 10% of inventory value.

(OR)

b) Material 'A' is used as follows:

Minimum consumption= 600 units per day;

Maximum consumption= 400 units per day;

Average usage in a month = 450 Units;

Lead time: Maximum 6 Months, minimum 2 Months.

Reorder Quantity: 1,500 Units.

Maximum reorder period for emergency purchases – 1 month

Calculate

a) Reorder Level

b) Minimum stock level,

c) Maximum stock level

d) Average stock Level

e) Danger Level

13. a) The output of the worker A is 60 Units in a 40 hours week.

Guarantee time rate is Rs.5 per hour. Ordinary piece rate is Rs.2 per unit. Show the earnings of worker A under time rate and piece rate system.

(OR)

(CONTD …. 3)

b) From the following data provide to you find out the labour turnover rate by applying:
(i) Flux Method; (ii) Replacement Method; and (iii) Separation Method

No. of workers on the payroll:

At the beginning of the month	500
At the end of the month	600

During the month, 5 workers left, 20 persons were discharged and 75 workers were recruited. Of these, 10 workers were recruited in the vacancies of those leaving, while the rest were engaged for an expansion scheme.

14. a) 50 units are introduced into a process at a cost of Rs. 50. The total additional expenditure incurred by the process is Rs.32. Of the units introduced 10 % are normal spoil in the course of manufacture; these possess a scrap value of Re.0.20 each. Owing to an accident only 40 units are produced.

You are required to prepare a process account.

(OR)

b) The following data are available pertaining to a product after passing through two processes A and B:

Output transferred to process C from B 9120 units for Rs. 49263.

Expenses incurred in Process C:

Sundry materials	Rs. 1480
Direct labour	Rs. 6500
Direct expenses	Rs.1605

The wastage of process C is sold at Re. 1.00 per unit. The overhead charges were 168% of direct labour. The final product was sold at Rs. 10.00 per unit fetching a profit of 20% on sales.

Find the percentage of wastage in process C and prepare process C Account.

15. a) Prepare a job cost sheet:

Material Rs.2,000; Labour 50 hours @ Rs.10 Perhour; works overhead 100% of wages; office overhead 60% of works cost; profit 20% on sales.

(OR)

b) Compute Economic Batch Quantity through E.B. Q. formula.

Annual demand 2,500 units; Setting up cost Rs.250; Cost of production per unit Rs. 250; Rate of interest 20% p.a.

(CONTD …. 4)

SECTION – C (5 X 5 = 25 MARKS)

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

16. a) Compare the Cost Accounting and Management Accounting.

(OR)

b) From the following particulars of a manufacturing firm, prepare a statement showing (a) Cost of materials used; (b) Works cost; (c) Cost of production; (d) Percentage of works overhead to productive wages; (e) Percentage of general overhead to works cost.

	Rs.
Stock of materials on 01-01-2023	40,000
Purchase of materials in January, 2023	11,00,000
Stock of finished goods on 01-01-2023	50,000
Productive wages	5,00,000
Finished goods sold	24,00,000
Works overhead	1,50,000
Office and general expenses	1,00,000
Stock of material on 31-01-2023	1,40,000
Stock of finished goods on 31-01-2023	60,000

17. a) The following transactions occur in the purchase and issue of a material:

January 2 Purchased 4,000 units at Rs. 4.00 per unit
January 20 Purchased 500 units at Rs. 5.00 per unit
February 5 Issued 2,000 units
February 10 Purchased 6,000 units at Rs. 6.00 per unit
February 12 Issued 4,000 units
March 2 Issued 1,000 units
March 5 Issued 2,000 units
March 15 Purchased 4,500 units at Rs. 5.50 per unit
. March 20 Issued 3,000 units
March 27 Purchased 50 at Rs. 5.75 each

From the above, prepare the stores ledger account by adopting FIFO method.

(OR)

b) The following transactions occur in the purchase and issue of a material:

January 19 Purchased 100 at Rs. 5.00 each
February 4 Purchased 25 at Rs. 5.25 each
February 12 Purchased 50 at Rs. 5.50 each
February 14 Issued 80

(CONTD …. 5)

March 16 Purchased 50 at Rs. 5.50 each

. March 20 Issued 80

March 27 Purchased 50 at Rs. 5.75 each

Complete the Stock Account showing the balance on March 31, the end of the accounting year. Prepare the store ledger under LIFO method.

18. a) Rajan Ltd., follows Taylor's differential piece rate system – 80 and 120 being the differentials for below standard and above standard work.

From the following ascertain the earnings of workers X and Y.

Standard time 15 minutes per unit

Time worked 8 hours

Units produced X:28 Y:35

Normal piece rate per unit Rs.2

(OR)

b) You are supplied with the following information. Calculate overhead hourly rate in respect of production department A,B and C.

The total primary overheads are:

Production Departments:

A – Rs.7810

B – Rs.12543

C – Rs.4547

Service Departments:

X – Rs. 4000

Y – Rs.2600

Expenses of service department X and Y are apportioned as under

	A	B	C	X	Y
X	30%	40%	20%	--	10%
Y	10%	20%	50%	20%	--

19. a) In a factory the product passes through two processes A and B, A loss of 5% is allowed in Process A and 2% in Process B, nothing being realised by disposal of wastage.

During April, 2023, 10,000 units of materials costing Rs.6 per unit were introduced in Process A. The other costs are:

(CONTD …. 6)

	Process A Rs.	Process B Rs.
Material	---	6,140
Labour	10,000	6,000
Overheads	6,000	4,600

The output was 9,300 units from Process A, 9,200 units were produced by Process B, which were transferred to the warehouse.

8,000 units of the finished product were sold @ Rs.15 per unit. The selling and distribution expenses were Rs.2 per unit.

Prepare (i) Process Accounts; and (ii) A statement of profit or loss of the firm for April 2021, assuming there was no opening stock of any type.

(OR)

b) Product A pass through three distinct processes. The product is transferred to finished stock after the third process. Prepare the process accounts from the information given below:

	Process I	Process II	Process II
Direct Materials	4,000	600	550
Direct Labour	1,500	1.600	900
Direct Expenses	650	400	---

Total production overheads during the period were Rs. 6,000. It is to be apportioned to different processes on the basis of 150% of direct labour. There was no opening and closing stock. Production during the period was 200 units.

20. a) From the following details, compute the overhead rate to be charged on the basis of the direct labour rate to Job No. 707 and determine the total cost and selling :

Material used Rs.4,000

Direct wages Rs.3,000

Direct Labour hours 700 hours

Estimated factory overheads for the year Rs.1,05,000

Estimated labour hours for the year 2,10,000

Gross profit ratio on sales is 25%

(OR)

b) From the following details, ascertain the quotation value for 200 colour T.Vs. Company's costing records reveal the following figures for the previous costing period:

	Rs.
Materials consumed	20,00,000
Wages	10,00,000
Factory expenses	3,00,000
Office expenses	3,30,000

Material and wages required for each T.V. are estimated at Rs.3,000 and Rs.1,500 respectively. Profit expected is 40% on cost.

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