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M – 1689

Reg. No. : .....

Name : .....

Fifth Semester B.Com. Degree Examination, December 2021

First Degree Programme under CBCSS

Core Course

CO 1542/CC 1543/CX 1543/HM 1543/TT 1543 : COST ACCOUNTING

(2014, 2016 & 2017 Admission)

(Common for Commerce/Commerce with Computer Application/Commerce and Tax Procedure and Practice/Commerce and Hotel Management and Catering/Commerce and Tourism and Travel Management)

Time : 3 Hours

Max. Marks : 80

PART – A

Answer **all** questions. Each question carries **1** mark.

1. What is cost accountancy?
2. What is cost audit?
3. What is marginal costing?
4. State the classification overheads by function.
5. Define cost unit.
6. What is LIFO method?

P.T.O.

PART – D

Answer **any two** questions. Each question carries **15** marks.

32. Explain the classification of costs.

33. Prepare a cost sheet from the following and show the cost of goods sold and profit

	Rs.
Direct materials	2,00,000
Factory expenses	1,20,000
Prime cost	4,10,000
Office expenses	90,000
Output in stock	10%
Total sales	6,25,000

34. X Ltd has three production departments A, B and C and two service departments D and E. The overhead expenses incurred during the year 2019 are as follows:

	Rs.
Rent	10,800
Depreciation of Building	54,000
Depreciation of other assets	42,000
Insurance of building	9,600
Insurance of plant	8,400
Rates and taxes	3,000
Lighting	12,800
Power	16,500
Stores overhead	5,400
Subsidy to canteen	15,600

PART – C

Answer **any six** questions. Each question carries 4 marks.

23. What are the features of a good wage payment method?

24. Distinguish between time rate system and piece rate system.

25. What are various stock levels for inventory control?

26. Distinguish between apportionment and absorption.

27. Calculate re-order level and maximum level from the following data

    Time lag for procurement of materials: Maximum 5 months, Minimum - 3 months

    Maximum usage - 450 units

    Minimum usage - 150 units

    Re-order quantity – 1800 units.

28. Calculate machine hour rate from the following

    Cost of machine - Rs. 11,000

    Estimated Scrap value - Rs. 1,000

    Effective working life - 10,000 hours

    Repairs for the whole life of machine - Rs. 1,500

    Standing charges for the month - Rs. 1,600 (4 machines of equal size)

    Number of hours in a month - 120

    Power used by machine : 6 units per hour @ 10 paise per unit.

29. Standard time allowed for a job is 50 hours and the rate per hour is Rs. 2 plus dearness allowance at Rs. 2.50 per hour worked. The actual time taken by the worker is 40 hours.

Calculate the total wages as per Rowan plan.

30. Calculate EOQ from the following data

Annual usage - 1000 units

Cost of material per unit - Rs. 20

Cost of placing an order - Rs. 10

Annual carrying cost of per unit - 10% of inventory value.

31. From the following transactions, calculate the closing balance of materials in units and value by using FIFO and LIFO methods

Opening balance 200 pieces @ Rs. 2 each

Purchases 100 pieces @ Rs. 2.2 each

Purchases 150 pieces @ Rs. 2.40 each

Purchases 180 pieces @ Rs. 2.50 each

Issues 150 pieces

Issues 100 pieces

Issues 100 pieces

Issues 200 pieces.

(6 × 4 = 24 Marks)

7. What are conversion costs?

8. What is material control?

9. What is cost sheet?

10. What is double bin system?

(10 × 1 = 10 Marks)

PART – B

Answer **any eight** questions. Each question carries **2** marks.

11. What is contract costing?

12. What are semi-variable costs? Give an example

13. What are step costs?

14. State the scope of cost accounting.

15. What are imputed costs?

16. What is departmentalization of overheads?

17. What is overhead rate? How it is computed?

18. How earnings are computed under piece rate system?

19. What are shut down costs?

20. Write the formula for computing stock turnover ratio?

21. What is idle time?

22. Distinguish direct labour from indirect labour.

(8 × 2 = 16 Marks)

Apportion the costs to departments after taking into account the following further data:

Items	A	B	C	D	E
Area (Sq Ft)	3000	4000	4000	2000	2000
Number of Employees	80	110	60	30	20
Value of assets other than building	1,60,000	1,00,000	1,80,000	1,00,000	80,000
Number of light points	15	10	7	5	3
Horse power of machines	400	300	200	200	–
Value of material consumed	90,000	80,000	60,000	–	40,000

35. Prepare a Stores Ledger account for the following transactions on the basis of FIFO method

January 1	Opening balance 10 units @ Rs. 30
January 10	Purchased 10 units @ 33
January 12	Issued 10 units
January 31 closing balance	10 units
February 3	Purchased 10 units @ 36
February 12	Issued 10 units
February 28	Purchased 10 units @ 40

Sales during the two months amounted to Rs. 1,050.

(2 × 15 = 30 Marks)