

Reg. No. : .....

Name : .....

**Fifth Semester B.Com. Degree Examination, December 2022**

**First Degree Programme under CBCSS**

**Core Course**

**CO 1542/CC 1542/CX 1542/HM 1542/TT 1542 –  
COST ACCOUNTING**

**(2018 Admission onwards)**

**(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

**SECTION – A**

Answer **all** the questions in **one** or **two** sentences. Each question carries **1** mark.

1. What is costing?
2. What is cost unit?
3. What is time keeping?
4. What is JIT?
5. What is Bin Card?
6. What is LIFO?

7. What is Direct Cost?
8. What is EOQ?
9. What is normal wastage?
10. What is stores ledger?

**(10 × 1 = 10 Marks)**

### SECTION – B

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

11. Distinguish between fixed cost and variable cost.
12. What is opportunity cost?
13. What are the objectives of unit costing?
14. What is danger level?
15. What are the bases of apportionment for lighting, power and rent?
16. What is idle time?
17. What is Machine hour Rate?
18. What is Bill of Material?
19. What are the causes of under absorption of overhead?
20. What is secondary distribution?
21. What is Cost Centre?
22. What is the treatment of abnormal loss?
23. What is stock velocity?

24. What is perpetual Inventory system?
25. What is Time wage system?
26. Distinguish cost allocation and cost apportionment.

**(8 × 2 = 16 Marks)**

SECTION – C

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

27. Distinguish between financial accounting and cost accounting.
28. Explain multiple piece rate system.
29. What is ABC analysis?
30. What is Reorder level and maximum level?
31. What are the components of Cost?
32. Explain Labour Turnover and its causes.
33. About 50 items are required everyday for a machine. A fixed cost of Rs. 50 per order is incurred for placing an order. The inventory carrying cost per item amounts to Re. 0.02 per day. The lead period is 32 days. Compute :
  - (a) EOQ
  - (b) Re-order Level.
34. Calculate the earnings of workers 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 day.

35. From the following data prepare a reconciliation statement :

|  | Rs.      |
|--|----------|
| Profit as per cost accounts                      | 1,45,500 |
| Works overhead under recovered                   | 9,500    |
| Administrative overheads under recovered         | 22,750   |
| Selling overheads over recovered                 | 19,500   |
| Over valuation of opening stock in cost accounts | 15,000   |
| Over valuation of closing stock in cost accounts | 7,500    |
| Interest earned during the year                  | 3,750    |
| Rent received during the year                    | 27,000   |
| Bad debts written off during the year            | 9,000    |
| Preliminary expenses written off during the year | 18,000   |

36. The accounts of a machine manufacturing company disclose the following information for the six months ending 31-12-18 :

Material used Rs. 1,50,000

Productive wages Rs. 1,20,000

Factory overhead expenses Rs. 24,000

Establishment and general expenses Rs. 17,640

Prepare the cost sheet of the machines and calculate the price which the company should quote for the manufacture of a machine requiring materials valued at Rs. 1,250 and expenditure in productive wages of Rs. 750, So that the price may yield a profit of 20% on the selling price.

37. A machine costing Rs. 20,000 is expected to run for 10 years at the end of which its scrap value is estimated to be Rs. 2,000. Installation charges are Rs. 200, Repair for 10 years life is estimated to be Rs. 1,800 and the machine is expected to run for 2190 hours in a year. Its power consumption would be 15 units per hour at Rs. 5 per 100 units. The machine occupies  $\frac{1}{4}$ <sup>th</sup> of the area of the department and has two points out of total ten for lighting. The foreman has to devote about  $\frac{1}{3}$ <sup>rd</sup> of his time to this machine. The rent for this department is Rs. 300 p.m. and charges for lighting Rs. 80 p.m. The foreman is paid a salary of Rs. 960 p.m. Find out the hourly rate, assuming insurance is @1% p.a and expenses on lubrication are Rs. 9 per month.

38. The standard time for a job is 10 hours. Actual hours taken are 8. Wage rate per hour is Rs. 5. Calculate earnings and effective rate of earnings per hour under Halsey plan.

**(6 × 4 = 24 Marks)**

## SECTION – D

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

39. Shriram enterprises manufactures a special product ZED, the following particulars were collected for the year 2018 :

- (a) Monthly demand of ZED 1,000 units
- (b) Cost of placing an order Rs. 100
- (c) Annual carrying cost per unit Rs. 15
- (d) Normal usage 50 units per week
- (e) Minimum usage 25 units per week
- (f) Maximum usage 75 units per week
- (g) Reorder period 4 to 6 week.

Compute from the above :

- (1) Reorder quantity
- (2) Reorder level
- (3) Minimum Level
- (4) Maximum Level
- (5) Average Level.

40. Following is a summary of receipts and issues of a material in a factory during December 2018 :

|      |     |    |  |
|------|-----|----|--|
| 2018 | Dec | 1  | Opening balance 500 tonnes @ Rs. 20        |
| "    | "   | 3  | Issued 70 tonnes                           |
| "    | "   | 4  | Issued 100 tonnes                          |
| "    | "   | 8  | Issued 80 tonnes                           |
| "    | "   | 13 | Received from supplier 200 tonnes @ Rs. 19 |
| "    | "   | 14 | Purchased 100 tonnes @ Rs. 21              |
| "    | "   | 16 | Issued 180 tonnes                          |
| "    | "   | 20 | Received from suppliers 240 tonnes Rs. 22  |
| "    | "   | 24 | Issued 300 tonnes                          |
| "    | "   | 25 | Received from supplier 320 tonnes @ Rs. 18 |
| "    | "   | 26 | Issued 115 tonnes                          |
| "    | "   | 27 | Received from supplier 100 tonnes @ Rs. 23 |

Issues are to be priced on the principle of first in first out. The stock verifier of the factory has found a shortage of 10 tonnes on 22<sup>nd</sup> and left a note accordingly. Prepare the stores ledger account.

41. U Co. Ltd. manufacturing refrigerators, gives the following information :

Raw material Rs. 3,50,000

Factory Overhead Rs. 81,000

Wages Rs. 2,70,000

Administration overhead Rs. 56,080.

How should this company quote the price of one refrigerator? To manufacture one refrigerator it is estimated that materials required is Rs. 1,000 and wages Rs. 700. Absorb factory overheads on the basis of labour and administration overheads on the basis of works cost. A profit of 12.5% of selling price is required.

42. What are the different techniques of stores control?

43. Explain Purchase Procedure.

44. Define cost accounting and explain classification of Cost.

**(2 × 15 = 30 Marks)**

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