



K20U 1591

Reg. No. :

Name :



V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.) Examination,
November 2020
(2014 Admn. Onwards)
Core Course
5B10COM : COST ACCOUNTING

Time : 3 Hours

Max. Marks : 40

SECTION – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. Cost that can be clearly traced with a product is known as _____ cost.
2. _____ is the rate of change in labour force.
3. _____ loss is absorbed in good units of production.
4. _____ is the portion of a basic raw material lost in processing having no recovery value. (4× $\frac{1}{2}$ =2)

SECTION – B

Answer **any four** questions. **Each** carries **one** mark.

5. What is Cost Sheet ?
6. What is ABC analysis ?
7. What is idle time ?
8. What is retention money ?
9. What do you mean by fixed and variable overhead ?
10. Define by-products. (4×1=4)

SECTION – C

Answer **any six** questions. (**not** exceeding **one** page). **Each** carries **three** marks.

11. Mention the advantages and disadvantages of cost accounting.
12. What is inventory control ? Explain the important methods used for inventory control.
13. Distinguish between time keeping and time booking.
14. Enumerate the different classification of overheads.

P.T.O.



15. The following are the figures relating to the production of a commodity for the month of January 2014.

	1.1.2014 Rs.	31.1.2014 Rs.
Stock of raw materials	75,000	50,000
Work in progress	5,000	3,000
Stock of Finished Goods	75,000	53,000
Transactions during the month were		
Purchase of raw materials	10,000	
Direct Wages	5,000	
Works overheads	2,000	
Administration overhead	3,000	
Selling and distribution overhead	2,000	
Sales	1,77,000	

Prepare a Cost Sheet, showing cost of production and profit.

16. Two materials A and B are used as follows :

Minimum usage 50 units per each week

Maximum usage 150 units per each week

Normal usage 100 units per each week

Re-order quantity A-600 units

B-1000 units

Re-order period A-4 to 6 weeks

B-2 to 4 weeks

- Calculate – a) Reorder level
b) Minimum level
c) Maximum level
d) Average level.

17. From the data given below, calculate Machine Hour Rate.

	Per Annum (Rs.)
Rent of the department	
(Space occupied by the machine is $\frac{1}{5}$ th of the department)	780
Lighting (number of light points in the department is 12; two light points are used for this machine)	288
Insurance	36
Cotton waste and oil	60
Salary of foreman ($\frac{1}{4}$ th of foreman's time is occupied by this machine)	6,000

The cost of the machine is Rs. 9,200 and it has an estimated scrap value of Rs. 200. It is ascertained from the past experience that :

- 1) The machine will work for 1,800 hours per annum.
- 2) It will incur an expenditure of Rs. 1,125 in respect of repairs and maintenance during the whole of its life.
- 3) It consumes 5 units of power per hour at the cost of Rs. 1 per unit; and
- 4) Working life of the machine will be 10 years.



18. A worker takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His rate is Rs. 7.50 an hour, the material cost of the product is Rs. 40 and the overheads are recovered at 150% of the total direct wages. Calculate the factory cost of the product under
- a) Piece work plan
 - b) Rowan plan
 - c) Halsey plan.

(6×3=18)

SECTION – D

Answer **any two** questions. **Each** carries **eight** marks.

19. Nava Bharath Chemicals manufacture and sell their chemicals produced by three consecutive processes. The product of these processes are dealt with as under

	Process I	Process II	Process III
Transferred to next process	66 2/3%	60%	–
Transferred to warehouse for sale	33 1/3%	40%	100%

In each process 4% of the weight put in lost and 6% is scrap which from Process I realized Rs. 3 per ton, from Process II Rs. 5 per tonne and from Process III Rs. 6 per tonne. The following particulars relate to April 2015.

	Process I	Process II	Process III
Raw materials used (tonnes)	1,400	160	1,260
Materials Cost per tonne (Rs.)	10	16	7
Manufacturing expenses (Rs.)	5,152	3,140	2,898

Prepare Cost Sheet showing cost per tonne of each process.

20. Asset Homes Ltd. was engaged on contract during the year 2014: The contract price was Rs. 4,00,000. The Trial Balance of the company was as follows :

	Debit	Credit
Share capital	–	80,000
Creditors	–	8,000
Land and buildings	34,000	–
Cash in hand	9,000	–
Charged to contract account :		
Materials	75,000	–
Plant	20,000	–
Wages	1,05,000	–
Expenses	5,000	–
Cash received from the contractee (being 80% of work certified)	–	1,60,000
	2,48,000	2,48,000



Of the plant and materials charged to the contract, plant costing Rs. 3,000 and materials costing Rs. 2,400 were destroyed by fire. On 31.12.2014 plant which cost Rs. 4,000 was returned to stores. The value of materials at site was Rs. 3,000. Work done but uncertified was Rs. 2,000. Charge depreciation on plant at 10% p.a.

Prepare Contract Account and Balance Sheet.

21. Enter the following transactions in the Stores Ledger, of XYZ Ltd., pricing the materials by LIFO method.

- Jan. 2015
- 1 Balance, 50 units at 50 ps per unit, 25
 - 2 Ordered 200 units, purchase order 55, expected May 6
 - 3 Issued 25 units, Requisition No. 100 Department A
 - 4 Ordered 100 units, purchase order 65, expected May 6
 - 5 Received 200 units at 30 paise per unit, purchase order No. 55
 - 7 Issued 150 units. Requisition no. 105, production order 115
 - 8 Returned to stock room 10 units from Department A, Requisition No. 100
 - 10 Received 75 units at 75 paise per unit, purchase order 65
 - 12 Ordered 100 units, purchase order 77, expected May 20
 - 15 Issued 160 units, Requisition No. 125, Production order 328
 - 18 Received 25 units, balance of purchase order 65, at 75 paise per unit
 - 21 Issued 5 units, Requisition No. 130, to Department B
 - 23 Returned to vendor 15 units from purchase order 65 received on Jan. 18
 - 25 Received 100 units, purchase order 77 at 50 paise per unit
 - 27 Freight as per purchase order 77 Rs. 25
 - 29 Issued 50 units to Dept. B
 - 30 Transferred 10 units from Dept. A to Dept. B. (2×8=16)
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