



M 9693

Reg. No. :

Name :

**V Semester B.Com. Degree (CCSS – Reg./Supple./Imp.)
Examination, November 2015
(2012 Admn. Onwards)
CORE COURSE IN COMMERCE
5B09 COM : Cost Accounting**

Time : 3 Hours

Max. Weightage : 30

PART – A

This Part consist of **two** bunches of question carrying **equal** weightage of **one**. Each bunch consist of **four** objective type questions. Answer **all** questions.

I. Fill in the blanks :

1. When actual loss in process is more than the normal loss, the difference between the two is known as _____
2. Cost units used in soft drink industry is _____

Select the correct option :

3. Which is the basis of valuation of work-in-progress ?
 - a) Actual cost basis
 - b) Equivalent production basis
 - c) All the above

4. Job costing is the method of costing used to determine the cost of non-standard jobs carried out according to

- a) Process b) Order c) Contract **(W=1)**

II. 5. The amount absorbed is less than the overheads actually incurred, it is over absorption. (True/False)

6. S-OS analysis is a technique used when proper strategy of materials purchased is to be determined. (True/False)

P.T.O.



7. There were 8,000 workers in a factory on 1st January, 2013. New entrants in service during the year were 400 and leavers 200. Labour Turnover Rate and labour Flux Rate
- 2% and 4%
 - 2.269% and 4.369%
 - 2.469% and 4.938%
8. Optimum stock turnover
- $\frac{\text{Average stock}}{\text{Goods sold}}$
 - $\frac{\text{Cost of Goods sold}}{\text{Average stock}}$
 - $\frac{\text{Total goods in stock}}{\text{Cost of goods sold}}$
- (W=1)

PART – B

Answer **any eight** questions in **one or two** sentences **each**. **Each** question carries a weightage of **one**.

9. What do you mean by systems of Cost Accounting ?
10. Define Labour Cost.
11. What is inventory ?
12. Explain Idle Time.
13. State the meaning of overhead expenses.
14. Find out the earnings of 4 workers A, B, C and D under Taylor's piece rate :
Standard production 80 units per week
Actual production : A – 50 units; B – 100 units; C – 80 units; D – 85 units; Low piece rate : Rs. 2 per unit; High piece rate : Rs. 3 per unit.
15. What is By-products ?
16. Write the purpose of utilisation ratio.
17. Differentiate between contract costing and unit costing.
18. Give any two differences between Bias card and stores ledger. (W=8×1=8)



PART – C

Answer **any six** questions. Answer **not** to exceed **one** page. **Each** carries a weightage of **two**.

19. What is cost accounting ? What is its limitations ?
20. You are required to find out Direct Labour Hour Rate from the following information.
- a) The total number of operators working in a department of a factory is 100.
 - b) The department works for 300 days in a year and the number of hours per day worked is 8.
 - c) From the total number of days 5% are to be deducted for short time and idle time.
 - d) Total departmental works overheads amount to Rs. 11,400/-.
21. What is material control ? Describe its importance.
22. The cost of making 40 pianos of which 20 are grade A and 20 are of Grade B is Rs. 80,000. Pianos of Grade B cost 55% and pianos of Grade A cost 45% of the total.
- Ascertain the cost of each grade and add there to 10 percent for indirect expenses. Transport and space in the showroom cost Rs. 60 per piano. Selling expenses and advertising are 10 percent of the selling price which is Rs. 3,150 in the case of grade A and Rs. 3,885 in the case of grade B.
- Write up a cost sheet showing the percentage of profit on total cost and selling price respectively on each grade.
23. What is work in progress and how is it treated in incomplete contracts ?
24. From the following informations given to you, prepare process B Account.
- 2,000 units are transferred to process B @ Rs. 4 per unit. Other details relating to the process are :
- | | Rs. |
|-----------|-------|
| Materials | 4,000 |
| Labour | 1,000 |
| Overhead | 700 |
- The normal loss has been estimated @ 10% of the process input. Units representing normal loss can be sold @ Re. 1.00 per unit. Actual production in the process is 1,900 units. Output of process B transferred to finished stock account.



25. Define operating costing. Mention the industries where it is to be applied.
26. The following information is available in respect of material used by ABC Co. Ltd., New Delhi.
 Ordering Qty. : 900 units, Normal consumption : 25 units per week. Maximum consumption : 35 units per week. Minimum consumption 15 units per weeks.
 Delivery period minimum : 20 weeks. Normal : 25 weeks and maximum : 30 weeks.
 Calculate the ordering level, minimum level and maximum level of stock. (W=6×2=12)

PART – D

Answer any two. Each question carries a weightage of four.

27. A firm is able to obtain quantity discount on its order of material as follows :

Price per tonne Rs.	Tonnes
6.00	Less than 250
5.90	250 and less than 800
5.80	800 and less than 2,000
5.70	2,000 and less than 4,000
5.60	4,000 and over

The annual demand for the material is 4,000 tonnes. Stock holding costs are 20% of material cost per annum. The delivery cost per order is Rs. 6. You are required to calculate the best quantity to order.

28. The following details relate to contract No. 407 undertaken by Shashank Ltd., in the beginning of 2013.

	Work certified Rs.	Work uncertified Rs.
Materials	1,80,000	20,000
Wages	3,70,000	30,000

Special plant was purchased for the contract costing Rs. 1,00,000. At the end of the year, it was estimated to be worth Rs. 1,30,000. Overheads other than the depreciation amount to 20% of wages. The value of work certified was Rs. 8,40,000 against which the contractor was paid Rs. 7,56,000. The total value of the contract was Rs. 16,00,000. Prepare contract account and show the work in progress account in the Balance Sheet.

29. What is meant by under Absorption and Over-absorption of overheads ? Explain different accounting methods of under and over-absorptions of overheads. (W=2×4=8)