



M 11439

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V Semester B.A./B.Sc./B.Com./B.B.A./B.B.A.T.T.M./B.B.M./B.C.A./B.S.W.

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CORE COURSE IN COMMERCE

5B09 COM : Cost Accounting

Time: 3 Hours

Max. Weightage : 30

PART – A

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

I. Fill in the blanks :

- 1) _____ is the technique of ascertaining cost.
- 2) _____ cost are partly fixed and partly variable.
- 3) The cost of abnormal idle time is charged to _____
- 4) Under piece rate system, payment is made according to the _____ (W = 1)

II. 5) Time cost may be

- | | |
|-----------------------|------------------|
| a) Fixed cost | b) Variable cost |
| c) Semi variable cost | d) Prime cost |
- 6) FIFO method of stock valuation is useful when
- | | |
|-------------------|------------------------|
| a) Prices go up | b) Prices remain fixed |
| c) Prices decline | d) None of these |

P.T.O.



- 7) Which of the following statement is correct ?
- a) Integral or integrated accounting are the same
 - b) Both of them are different
 - c) Integrated Accounting is based on Double Accounting System
 - d) Both of them are not accounting concepts
- 8) Process costing method is used for
- a) Transport service
 - b) Ship building
 - c) Soap making
 - d) Printing press
- (W = 1)

PART – B

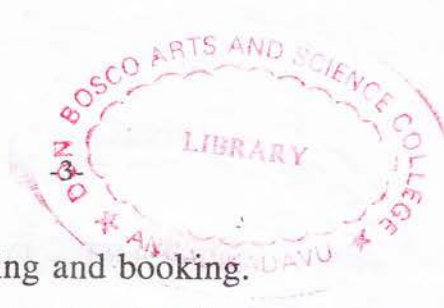
Answer **any 8** questions in **one** or **two** sentences **each**. **Each** question carries a weightage of **one**.

- 9) Define costing.
 - 10) What do you mean by cost unit ?
 - 11) Define overheads.
 - 12) What is E.O.Q. ?
 - 13) Define Idle time.
 - 14) What do you mean by standing charges ?
 - 15) What do you mean by composite cost unit ? Give example.
 - 16) What is Escalation Clause in Contract Accounts ?
 - 17) What do you mean by work certified ?
 - 18) What is abnormal gain ?
- (W=8×1=8)

PART – C

Answer **any 6** questions. **Each** question carries a weightage of **two**.

- 19) What do you mean by VED Analysis ?
- 20) What is by-product and how is it different from joint product ?



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- 21) Distinguish between time keeping and booking.
- 22) What are the objectives of Cost Accounting ?
- 23) Calculate the Re-ordering level of a firm, information regarding whose materials being used are as under :
- i) Minimum limit 1000 units
 - ii) Maximum limit 500 units
 - iii) Daily requirement 200 units
 - iv) Time required for fresh delivery 10 days.
- 24) Calculate the earnings of workers X and Y under straight piece rate system and Taylors Differential piece rate system from the following information :
- Normal rate per hour = Rs. 3.60
- Standard time per unit = 20 seconds
- Differential to be applied
- Blow standard – 80%
 - At or above standard – 120%
- Worker X produces 2600 units per day. While worker Y produces 3000 units per day .
- 25) From the following particulars calculate Machine Hour Rate :
- a) Cost of Machine Rs. 16,000
 - b) Estimated scrap value Rs. 1,000
 - c) Estimated life of machine 1000 hrs.
 - d) Working hours for four weeks 160 hrs.
 - e) Repairs, maintenance charges for a month Rs. 120
 - f) Standing charges attributed to the machine for a month Rs. 40
 - g) Power used by machine @ 85 paise per hour.
- 26) In a process 1200 units were put in @ Rs. 2 per unit. Besides these, materials of Rs. 2,000, labour Rs. 2,500 and other expenses of Rs. 500 were also incurred. It is expected that 10% of the total units put in are normally wasted Which realise 10 paise per unit. The production was of Rs. 1,000 units.
Make out process account. (W=6×2=12)



PART – D

Answer **any two** questions, carries a weightage of **four**.

- 27) A building contractor gives the following information and ask you to prepare Contract Account :

| | Rs. |
|----------------|----------|
| Plant | 30,000 |
| Materials | 75,000 |
| Wages | 45,000 |
| Expenses | 15,000 |
| Contract price | 3,00,000 |
| Certified work | 1,35,000 |

Cash received 75% of work certified.

At the end of the year – work not certified Rs. 12,000, Materials at site Rs. 3,000, Depreciation on plant 10%.

- 28) From the following particulars prepare
- Statement of profit as per Cost Accounts
 - Profit and Loss Account
 - A Reconciliation Statement.

| | Rs. |
|------------------------|--------|
| Raw materials consumed | 14,600 |
| Wages | 23,200 |
| Factory expenses | 22,840 |
| Office expenses | 12,420 |
| Sales | 88,400 |

Works indirect expenses are 100% and office indirect expenses are 20% of works cost.

- 29) Explain the procedure to ascertain profit on incomplete contracts. (W=2×4=8)