



M 2101

Reg. No. :

Name :

**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./
B.A. Afsal UI Ulama Degree (CCSS – Reg./Supple./Improv.)
Examination, November 2012
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**.

- I. 1. The purpose of cost accounting is _____
- a) reporting to external agencies
 - b) cost control
 - c) earn abnormal profit
 - d) none of these
2. Cost unit is used for _____
- a) cost control
 - b) cost reduction
 - c) ascertainment of cost
 - d) none of these
3. Recording of time spent by a worker on different jobs is called
- a) time keeping
 - b) time booking
 - c) job card keeping
 - d) job order costing
4. Job costing is used in _____
- a) tea manufacturing
 - b) fertilizer manufacturing
 - c) ship building
 - d) building construction

(W=1)

P.T.O.



- II. 5. Which method of costing is used where the job is large and is of long duration ?
- a) process costing
 - b) batch costing
 - c) job costing
 - d) contract costing
6. Contract price is not fixed in case of
- a) Cost plus contract
 - b) Escalation clause
 - c) De-escalation clause
 - d) All of the above
7. Textile industry may adopt
- a) operating costing
 - b) contract costing
 - c) job costing
 - d) process costing
8. Operating costing is used by
- a) manufacturing companies
 - b) service companies
 - c) job order industry
 - d) none of these
- (W=1)**

PART – B

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

- 9. Define Direct Costing.
- 10. What is imputed cost ?
- 11. What is overheads ?
- 12. What is Bin ?
- 13. Define Scrap.
- 14. What is merit rating ?
- 15. What is Machine Hour Rate ?
- 16. What do you mean by cost sheet ?
- 17. What is retention money ?
- 18. What is abnormal loss ?

(W=8×1=8)



PART – C

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

19. Which are the undertakings where operating costing is applied ?
20. Distinguish between Financial Accounting and Cost Accounting.
21. What are chargeable expenses ? Explain with suitable examples.
22. Distinguish between Joint product and By-product.
23. Calculate EOQ from the following informations. Also calculate the number of orders to be placed in a year :
Annual consumption – 10,000 kg
Cost of placing an order – Rs. 50
Cost per kg of materials – Rs. 2
Storage cost – 8% on average inventory.
24. 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.
25. From the following particulars extracted from the books of a contractor, calculate the amount of profit to be credited to profit and loss account.

	Rs.
Contract price	50,00,000
Cash received from contractee	
Being 80% of work certified	24,00,000
Work uncertified	3,00,000
Notional profit for the year	3,00,000

26. 900 units were introduced from process X to Y at a cost of Rs. 60 per unit.
The expenses of the process were labour Rs. 12,000, Materials Rs. 3,240 and overhead at 50% of labour. Normal wastage expected in the process was 10%. 10% of the units introduced to the process with a scrap value of Rs. 8 per unit. The actual output of the process Y was 820 units to be transferred to process Z. Prepare Process Y Account. (W=6x2=12)



PART – D

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

27. From the following information relating to the machine calculate the machine hour rate :

Purchase price of the machine with the scrap value zero, Rs. 90,000

Installation and incidental charges incurred on the machine Rs. 10,000

Life of the machine is 10 years of 2000 working hours each

Repair charges : 50% of depreciation

Machine consumes 10 units of electric power per hour @ 40 paise per unit

Oil expenses @ Rs. 2 day of eight hours

Consumable stores @ Rs. 10 per day of 8 hours

Two workers are engaged on the machine @ Rs. 4 per day of 8 hours.

28. Following were the expenses incurred by a contractor in respect of a contract which commenced on 1st January, 2010. The contract price is Rs. 2,00,000.

	Rs.		Rs.
Materials	40,000	Work uncertified	60,000
Wages	50,000	Materials hand on	
Other expenses	15,000	31st Dec. 2010	11,000
Plant at cost	50,000	Plant at cost	43,000
Work certified	1,20,000	Cash received from	
		Contractee	1,00,000
		Material returned to	
		stores	2,000

Prepare a contract account for the year ended 31st Dec. 2010, showing profit to be credited to Profit and Loss A/c for the year.

29. A product of a manufacturing company passes through two processes A and B then to finished stock. It is ascertained that in each process normally 5% of the total weight is lost and 10% is scrap which from process A and B realises Rs. 80 per tonne and Rs. 200 per tonne respectively. The following are the figures relating to both the processes.

	Process A	Process B
Materials in tonne	1000	70
Cost of materials per tonne (Rs.)	125	200
Wages (Rs.)	28,000	10,000
Manufacturing expenses	8,000	5,250
Output in tonnes	830	980

Prepare the process cost accounts.

(W=2×4=8)