



M 4363

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./Improve.)  
Examination, November 2013  
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 consist of **four** objective type questions. Answer **all** questions.

- I. 1) The first and final objectives of Cost Accounting is to control
- |                       |                             |
|-----------------------|-----------------------------|
| a) Cost of production | b) Factory Expenses         |
| c) Direct expenses    | d) Selling and distribution |
- 2) Which of the following classification of cost is not done ?
- |                                  |                                      |
|----------------------------------|--------------------------------------|
| a) Direct and Indirect           | b) Fixed and variable                |
| c) Managerial and non managerial | d) Controllable and Not-controllable |
- 3) Time cost may be
- |                       |                  |
|-----------------------|------------------|
| a) Fixed cost         | b) Variable cost |
| c) Semi-variable cost | d) Prime cost    |
- 4) Telephone expenses are
- |                  |                            |
|------------------|----------------------------|
| a) Fixed         | b) Variable                |
| c) Semi-variable | d) Drawing Office Salaries |
- (Wt. 1)**
- II. 5) Fixed cost per unit reduces, if the quantity of production
- |                  |                  |
|------------------|------------------|
| a) Increases     | b) Decreases     |
| c) Remains fixed | d) None of these |
- 6) If the rate of profit is 25% on cost and sales are Rs. 60,000, what will be the cost of sales ?
- |               |               |
|---------------|---------------|
| a) Rs. 50,000 | b) Rs. 48,000 |
| c) Rs. 45,000 | d) Rs. 44,000 |

P.T.O.



- 7) In process costing Abnormal wastage is charged to
- |                          |                         |
|--------------------------|-------------------------|
| a) Concerned process a/c | b) P & L a/c            |
| c) Wastage a/c           | d) Abnormal wastage a/c |
- 8) Which method of costing is used in Iron and Steel Industry ?
- |                 |                     |
|-----------------|---------------------|
| a) Unit costing | b) Contract costing |
| c) Operating    | d) Process costing  |

(Wt. 1)

#### PART – B

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

- 9) What is shut down cost ?
- 10) What is danger level ?
- 11) Define Time wage system.
- 12) What is time booking ?
- 13) What is overtime wages ?
- 14) What do you mean by Direct Expenses ?
- 15) What is Departmentalisation ?
- 16) What are the components of prime cost ?
- 17) Define scrap.
- 18) What is By-Product ?

(Wt. = 8×1=8)

#### PART – C

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

- 19) What do you mean by retention money ? What is purpose of it ?
- 20) What is abnormal gain ? How do you calculate ?
- 21) What are the disadvantages of piece rate system ?
- 22) What do you mean by VED analysis ?
- 23) About 50 items are required every day 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 Rs. 0.02 per day. The lead period is 32 days. From the above calculate :  
(1) EOQ and (2) Reorder level



- 24) Rate per Hour – Rs. 3 per hour  
Time allowed for job – 20 Hours  
Time taken – 15 Hours  
Calculate total earnings of the worker under the Halsey Premium Plan. Also calculate the effective rate of wages.
- 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 hours
  - d) Working hours for four weeks 160 hours
  - e) Repair and 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 process Y, 75 units of a commodity were transferred from Process X at a cost of Rs. 6,550.  
The additional expenses in Process Y were Rs. 950.  
20% of the units, normally introduced in Process 'Y' are lost and sold @ Rs. 20 per unit.  
The output of Process Y was 70 units.  
Prepare Process Y account. (Wt. = 6x2=12)

PART – D

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

- 27) Bridge builders obtained a contract to build a bridge at the estimated price of Rs. 20,00,000. The expenses incurred in the first year ending 31<sup>st</sup> March 2001 were as follows :

	Rs.
Materials purchased	3,60,000
Materials at site at the end	15,000
Wages	4,50,000
Plant purchased	60,000
Plant valued at the end	45,000

Materials value Rs. 10,000 was stolen. Cost of work-in progress not yet certified was Rs. 30,000. A sum of Rs. 7,20,000 was received from the contractee being 80% of the work-in-progress certified. The contract is to be charged with general overheads being Rs. 10,000. Show the Contract Account.



28) The Accounts of a company show for the year 2010

	Rs.
Materials	3,50,000
Labour	2,70,000
Factory overhead	81,000
Administrative O.H.	56,080

What price should the company quote for a refrigerator ? It is estimated that Rs. 1,000 in materials and Rs. 700 in labour will be required for the refrigerator. Absorb factory overheads on the basis of labour and administrative overheads on the basis of works cost. A profit of 12.5% on selling price is required.

29) From the following calculate :

- a) Minimum stock level
- b) Maximum stock level
- c) Re-ordering stock level.
  - i) Minimum consumption = 200 units per day
  - ii) Maximum consumption = 300 units per day
  - iii) Normal consumption = 240 units per day
  - iv) Re-order period = 10-15 days
  - v) Re-order quantity = 3000 units
  - vi) Normal Re-order period = 12 days.

(Wt. = 2×4=8)