



K17U 1864

Reg. No. : .....

Name : .....

V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.) Examination,  
November 2017  
(2014 Admn. Onwards)  
Core Course  
5B10COM : COST ACCOUNTING

Time : 3 Hours

Max. Marks : 40

PART – A

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

- 1) The total of all direct expenses is known as \_\_\_\_\_ cost.
- 2) First In First Out (FIFO) method of valuing material issues is suitable in times of \_\_\_\_\_
- 3) In \_\_\_\_\_ contracts, the contractor will get cost plus a stipulated profit.
- 4) The cost of \_\_\_\_\_ process loss is absorbed in the cost of production of good units. (4× $\frac{1}{2}$ =2)

PART – B

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

- 5) Define cost accounting.
- 6) What is cost sheet ?
- 7) What is VED analysis ?
- 8) What is escalation clause ?
- 9) What is normal and abnormal loss ?
- 10) What is Labour turnover ? (4×1=4)

P.T.O.



## PART – C

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

11) Calculate minimum stock level, maximum stock level, average stock level and re-ordering level from the following information.

- i) Minimum consumption : 100 units per day
- ii) Maximum consumption : 150 units per day
- iii) Normal consumption : 120 units per day
- iv) Re-order period 10-15 days
- v) Re-order quantity : 1500 units
- vi) Normal re-order period : 12 days

12) Using the following data, discuss and illustrate the Halsey and the Rowan premium bonus systems bringing out their merits and demerits.

Time allowed : 48 hours

Time taken : 40 hours

Rate per hour : Rs. 2

13) From the following particulars, calculate Machine Hour Rate.

Cost of machine Rs. 75,000

Estimated working life 20000 hours

Estimated scrap value Rs. 15,000

Working hours per year 1500 hours

Cost of repairs per year Rs. 5,000

Power consumption 20 units per hour at 0.60 paise per unit

Rent of department (machine  $\frac{1}{4}$ <sup>th</sup>) Rs. 2,000

Lighting charges (6 points in the department – 2 points engaged in the machine)  
Rs. 800

Supervision ( $\frac{1}{4}$  of his time is occupied in the machine) 12,000

Insurance premium (fire) for machinery 300

Cotton waste Rs. 500



- 14) Prepare a cost sheet from the following information for the period ending June 30, 2017.

	2017 January 1	2017 June 30
Raw material	30,000	25,000
Work in progress	12,000	15,000
Finished products (1000 tons)	10,000	(1500 tons) 16,000
Purchases of raw materials	2,00,000	
Carriage on purchases	5,000	
Direct wages	1,00,000	
Works overheads	30,000	
16000 units produced during the period		
Selling and distribution overhead Rs. 1 per units sold		
Finished goods sale Rs. 4,00,000		

- 15) What is perpetual inventory system ? Discuss its advantages.
- 16) What are the objectives of cost accounting ?
- 17) What is time keeping ? What are the methods used for time keeping ?
- 18) What are the different systems of wage payment ? Discuss. (6x3=18)

PART – D

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

- 19) Neo Pharma Ltd. produced three chemicals during the month of May, 2017 by three consecutive process. In each process 2% of the total weight put in loss and 10% is scrap which from process 1 and 2 realizes Rs. 100 a ton and from process 3 Rs. 20 a ton.

The products of three processes are dealt with as follows :

	Process 1		Process 2		Process 3	
Passed on to the next process	75%		50%		—	
Sent to warehouse for sale	25%		50%		100%	
Expenses incurred :	Rs.	Tons	Rs.	Tons	Rs.	Tons
Raw materials	1,20,000	1,000	28,000	140	1,07,840	1,348
Manufacturing wages	20,500	—	18,520	—	15,000	—
General expenses	10,300	—	7,240	—	3,100	—

Prepare process Cost Account showing the cost per ton of each product.



20) What is contract costing ? Prepare a contract account for 2016 showing the profit to be credited to the year's profit and loss account. The contract is for Rs. 6,00,000 commenced in February, 2016. The details of expenditure are :

Materials	Rs. 1,20,000
Wages	Rs. 1,64,000
Plant	Rs. 20,000
Business charges	Rs. 8,600

Cash received on account to 31<sup>st</sup> December, 2016 amounted to Rs. 2,40,000 being 80% of work certified, the value of materials in hand on 31-12-2016 was Rs. 10,000.

Plant is to be depreciated at 10%.

- 21) a) State the advantages and disadvantages of FIFO method.  
 b) Prepare a Stores Ledger Card by using FIFO method from the following particulars.

**2016**

- March**
1. Opening balance 500 tonnes @ Rs. 200
  3. Issue 70 tonnes
  4. Issue 100 tonnes
  8. Issue 80 tonnes
  13. Received from supplier 200 tonnes @ Rs. 190
  14. Returned from department 15 tonnes
  16. Issue 180 tonnes
  20. Received from supplier 240 tonnes @ Rs. 190
  24. Issue 300 tonnes
  25. Received from supplier 320 tonnes @ Rs. 190
  26. Issue 115 tonnes
  27. Returned from department 35 tonnes
  31. Received from supplier 100 tonnes @ Rs. 190.

(2×8=16)