

**FOURTH SEMESTER B.Com. DEGREE EXAMINATION, MAY 2014**

(UG—CCSS)

Core Course

BC 4B 05—COST ACCOUNTING

Time : Three Hours

Maximum : 30 Weightage

I. Answer the following :—

- 1 The first and the final objective of cost accounting is to ascertain :
  - (a) Cost of production.
  - (b) Factory expenses.
  - (c) Direct expenses.
  - (d) Selling and Distribution expenses.
- 2 The Term Cost refer to :
  - (a) An asset that has given benefit and is now expired.
  - (b) The value of sacrifice made to acquire goods and services.
  - (c) The price of goods sold or services rendered.
  - (d) The present value of future benefit.
- 3 FIFO and LIFO systems are used for the valuation of :
  - (a) Opening stock.
  - (b) Closing stock.
  - (c) Materials issues from stores.
  - (d) All sorts of valuation.
- 4 Process costing method is used for :
  - (a) Transport services.
  - (b) Ship building.
  - (c) Soap making.
  - (d) Printing press.
- 5 Do you think – budget, budgeting, budgetary control are :
  - (a) All the three involve different concepts.
  - (b) Budget and budgeting refer same meaning but budgetary control is different.
  - (c) Budgetary control refers to the use of budgeting.
  - (d) All the three refer same meaning.
- 6 The total cost of direct materials, direct labor and direct expenses is :
  - (a) Factory cost.
  - (b) Cost of production.
  - (c) Total cost.
  - (d) Prime cost.
- 7 The cost which are unaffected by variation in the volume of output :
  - (a) Fixed cost.
  - (b) Variable cost.
  - (c) Semi-variable cost.
  - (d) Uncontrollable cost.

- 8 Recording of actual time spent by a worker is called :
- (a) Time keeping.
  - (b) Time booking.
  - (c) Idle time.
  - (d) Direct labour.

Match the following :—

- |                              |                   |
|------------------------------|-------------------|
| 9 Fixed cost                 | Marginal Costing. |
| 10 Smallest Unit of Activity | Variable Cost.    |
| 11 Cost per Tonne            | Period cost.      |
| 12 Technique of costing      | Cost unit         |
|                              | Cost Center.      |

(12 × ¼ = 3 weightage)

II. Answer *all* questions :

- 13 What do you mean by costing ?
- 14 What is opportunity cost ?
- 15 What is direct cost ?
- 16 Define cost center.
- 17 What do you mean by batch costing ?
- 18 What is EOQ ?
- 19 What do you mean by FSN analysis ?
- 20 What is waste ?
- 21 What do you mean by time-keeping ?

(9 × 1 = 9 weightage)

III. Answer any *five* questions :

- 22 Calculate wages due to a worker from the following data :—
- Normal hours in a week : 44 hours
  - Actual booked hours : 50 hours
  - Rate per hour : Normal — Rs. 12.5
  - Overtime — 200 % of normal rate.

- 23 Calculate total kms and total passenger kms from the following data :

Number of buses	...	05
Days operated per month	...	25
Trips done per bus	...	04
One side distance per trip	...	20 kms
Capacity per bus	...	50 passengers
Capacity	...	90 percent

24 From the following calculate the amount of profit if any to be credited to P/L a/c :—

	Rs.
Works certified	
Works uncertified	... 4,00,000
Cash received from contractee	... 30,000
Contract price	... 3,00,000
	... 18,00,000
Notional profit for the year	... 40,000

25 What do you mean by retention money ?

26 Define defectives.

27 What do you mean by direct expenses ?

28 What do you mean by outworkers ?

(5 × 2 = 10 weightage)

IV. Answer any two :

29 The accounts of a company show for the year 2000 :

	Rs.
Materials	... 3,50,000
Labour	... 2,70,000
Factory overheads	... 81,000
Administrative overheads	... 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 administration overheads on the basis of workcost.

A profit of 12.5 % on selling price is required.

30 A building contractor gives you the following information and asks you to prepare the contract a/c :—

	Rs.
Plant	... 30,000
Materials	... 75,000
Wages	... 45,000
Expenses	... 15,000
Contract Price	... 3,00,000
Certified Works	... 1,35,000

Cash received — 75 % of work certified :

At the end of the year

Works not certified Rs. 12,000

Materials at site Rs. 3,000

Depreciation on plant 10 %.

31 A company gives you the following data and asks you to calculate the cost per vehicle per km.

Vehicle of vehicle	... Rs. 30,000
Drivers wages per month	... Rs. 400
Cost of petrol per litre	... Rs. 1.60
Kms per hour	... 8
Charges per tyre and tube management per km	... 0.40
Estimated life	... 1,50,000 kms.
Estimated annual kms	... 6,000 kms
Road licence fees per year	... 1,000
Insurance per year	... 200
Garage rent per year	... 1,200

(2 × 4 = 8 weightage)