

FOURTH SEMESTER B.Com. DEGREE EXAMINATION, APRIL/MAY 2015

(UG—CCSS)

Core Course

BC 4B 05—COST ACCOUNTING

(2009 Admissions)

e : Three Hours

Maximum : 30 Weightage

I. Choose the correct answer :—

1. Value of material in category A in ABC Analysis is :
 - More than category B.
 - More than category C.
 - Less than all the Categories.
 - None of the above.
2. State which method of costing is suitable for readymade unit :
 - Batch.
 - Job.
 - Process.
 - Contract.
3. In passenger Transport costing most suitable unit would be :
 - Per Vehicle KM.
 - Per Day KM.
 - Per Passenger KM.
 - Per Seat KM.
4. An abnormal gain in a process occurs in which of the following situations :
 - When the process output is more than the planned.
 - When the actual losses are less than the normal.
 - When costs are reduced through in effective means.
 - When the total losses are more than the normal.
5. Process costing method is used for :
 - Transport services.
 - Ship building.
 - Soap Making.
 - Printing Press.

- 6. Fixed cost per unit reduces, if the quantity of production :
 - Increases.
 - Decreases.
 - Remain fixed.
 - None of these.
- 7. What should be the cost unit per Brick clins ?
 - Per bricks.
 - Per 1000 bricks.
 - Per 100 bricks.
 - Per 10,000 bricks.
- 8. FIFO method of stock valuation is useful when :
 - Price go up.
 - Price prices remain fixed.
 - Price declines.
 - None of these.
- 9. Time cost may be :
 - Fixed cost.
 - Variable cost.
 - Semi variable cost.
 - Prime cost.
- 10. Store keeper should send the demanded requisites when the stock level is at :
 - Maximum level.
 - Minimum level.
 - Re-order level.
 - Average stock level.
- 11. Which of the following is a direct expense :
 - Rent.
 - Expenses on material consumed.
 - Directors fees.
 - Salaries.
- 12. The nature of variable cost is :
 - To be fixed always.
 - To be reduced with every increase in production.
 - To be changed with every change in products.
 - None of these.

I. Answer all *nine* questions :—

13. What is log book ?
14. What is escalation clause ?
15. What is safety level stock ?
16. What is indirect labor ?
17. Define job analysis.
18. Define cost unit.
19. What is First In First Out method ?
20. What is indirect material ?
21. What is abnormal process loss ?

(9 × 1 = 9 weightage)

Answer any *five* questions :—

22. Calculate total Kilometers and total passenger kilometers from the following data :
 - Number of buses : 5
 - Days operated per month : 25
 - Trips done per bus : 4
 - One side distance per trip : 20 KMS
 - Capacity per bus : 50 passengers
 - Capacity 90 %
23. The following transaction took place in respect of an item of material.

	Receipt	Rate (Rs.)	Issue
4 March 2010	200	2.00	
11 March 2010	300	2.40	
17 March 2010			250
21 March	250	2.60	
26 March			200

Record the above transaction in the stores ledger pricing the issues by simple average method.

24. Mr. A executes a piece of work in 65 hours against 75 hours allowed. His hourly rate is Rs. 4, and also he gets a dearness allowance of Rs. 7 per day of 8 hours. Calculate Earnings under Rowan plan and the total earnings.
25. In process X 100 units of raw materials were introduced at a cost of Rs. 3,000. The other expenses incurred were Rs. 1,806. Of the units introduced 10% are normally lost during the course of manufacture and they are sold as scarp at Rs. 9 per unit. The output of process X was only 75. You are required to prepare process X account.
26. Define job costing. What are the features ?

27. What do you mean by FIFO Pricing ? Explain its applicability.
28. Distinguish between Time wages and Piece Rate System.

(5 × 2 = 10 weightage)

IV. Answer any two questions :—

29. The contract price of a contract undertaken by Mr. Ahiwar on 1st January 2004 was Rs. 2,50,000. Following Expenses were incurred on the contract :

Materials consumed	62,500
Materials in hand on 30 — 9 — 2004	20,000
Wages	30,000
Direct expenses	32,000
Plant purchased	40,000

The contract was completed on 30th September and the contract price was duly received. Provide depreciation on plant at 10% and charge indirect expenses at 20% of the wages. Prepare Contract Account and Contractee's account in the book of the contractor.

30. Prepare a Production Budget of AB Co. Ltd. based on the sales Budget and the following estimated stocks at the beginning and end of the future budget period :

ESTIMATED STOCK			
Product	1 st Jan.	31 st Jan.	Sales as per sales budget
A	1,000	1,000	12,000
B	1,000	2,000	10,000

31. A manufacturing concern which has adopted standard costing furnishes the following information :

Standard :

Materials for 80 kg Finished Products	..	100 kg
Price of material	..	Rs. 120 per kg

Actual :

Output	..	2,40,000 kg
Materials used	..	3,15,000 kg
Cost of materials	..	3,46,500 kg

Calculate : (1) Material usage variance ; (2) Material Price variance ; and (3) Material Cost variance.

(2 × 4 = 8 weightage)