

Reg. No. :

Name :

Fifth Semester B.Com. Degree Examination, February 2021

First Degree Programme under CBCSS

Core Course : CO 1542/CC 1543/CX 1543/HM 1543/TT 1543

COST ACCOUNTING

(2015-2017 Admission)

**(Common for Commerce / Commerce with Computer Application /
Commerce and Tax Procedure and Practice / Commerce and Hotel
Management and Catering / Commerce and Tourism and Travel
Management)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

(Answer **all** questions. Each question carries 1 mark)

1. What is cost unit?
2. What is bin card?
3. What is Re-order level?
4. What is EOQ?
5. Define cost centre.
6. What is job costing?
7. Define costing.

8. What is piece wage system?
9. What is stock velocity?
10. What is operating costing?

(10 × 1 = 10 Marks)

SECTION – B

(Answer **any eight** questions. Each question carries **2** marks)

11. What is batch costing?
12. What are semi-variable costs? Give an example.
13. What is differential cost?
14. State the importance of cost classification.
15. What is composite cost unit?
16. What is absorption of overheads?
17. What are the objectives of material control?
18. What is prime cost?
19. What are selling overheads?
20. What is danger level?
21. What is stores ledger?
22. What is under absorption?

(8 × 2 = 16 Marks)

SECTION – C

(Answer **any six** questions. Each question carries **4** marks)

23. How reorder level is computed?
24. Distinguish between bin card and stores ledger.
25. Explain the steps in purchase procedure.
26. Distinguish between cost accounting and financial accounting.
27. Calculate re-order level and maximum level from the following data.

Time lag for procurement of materials: Maximum 6 months, Minimum - 2 months

Maximum usage - 300 units

Minimum usage - 200 units

Re-order quantity - 750 units

28. Calculate machine hour rate from the following.

Cost of machine - Rs. 19,200

Estimated Scrap value - Rs. 1,200

Average repair and maintenance charges per month - Rs. 150

Standing charges allocated to machine per month - Rs. 50

Effective working life of machine 10000 hours

Running time per month - 166 hours

Power used by machine: 5 units per hour @ 19 paise per unit.

29. Calculate total earnings and effective rate of earnings per hour under Rowan Plan from the following.

The standard time - 20 hours, Actual hours taken - 16 hours, Wage rate per hour - Rs. 5.

30. Calculate EOQ from the following data

Annual usage - 5000 units

Cost of material per unit - Rs. 20

Cost of placing an order - Rs. 50

Annual carrying cost of per unit - 10% of inventory value

31. From the following transactions, calculate the closing balance of materials in units and value by using LIFO method.

Opening balance 100 units @ Rs. 10 per unit

Issued 60 units

Received 120 units @ 10.10 per unit

Issued 50 units (stock verification reveals a loss of 2 units)

Received back from order 20 units (originally issued @ Rs. 9.90 per unit)

Issued 80 units

Received 44 units @ Rs 10.20 per unit

Issued 66 units

(6 × 4 = 24 Marks)

SECTION – D

(Answer **any two** questions. Each question carries **15** marks)

32. Explain the various methods of pricing material issues.
33. The cost accounts of a firm reveals the following details :

Raw material purchased	15,000
Opening stock of raw materials	4,000
Closing stock of raw materials	5,000
Direct labour cost	9,000
Machine hours worked	900 hours
Machine hour rate	Rs. 5
Carriage inwards	Rs. 1,000
Administration overheads	20% on works cost
Selling overheads	50 paise per unit sold
Units produced	17,100
Opening stock of finished goods 2000 units @ Rs 1.50 per unit	
Units sold	16000 units
Selling price per unit	Rs. 4

Prepare a cost sheet and compute the profit.

34. You are supplied with the following data and required to work out the production hour rate of recovery of overheads in departments A, B and C under repeated distribution.

Item	Production Departments			Service Departments	
	A	B	C	P	Q
Primary overhead (Rs.)	7,810	12,543	4,547	4,000	2,600

Expenses of service departments P and Q are apportioned as under :

	A	B	C	P	Q
P	30%	40%	20%	-	10%
Q	10%	20%	50%	20%	-
Estimated Working Hours	1000	2500	1400	-	-

35. Prepare a Stores Ledger account for the following transactions on the basis of FIFO method.

2019 Dec.	1	Opening balance 500 units @ Rs. 20
	3	Issue 70 units
	4	Issue 100 units
	8	Issue 80 units
	13	Received from supplier 200 units @ Rs. 19
	14	Purchased 100 units @ Rs. 21
	16	Issue 180 units
	20	Received from supplier 240 units @ Rs. 22
	24	Issue 300 units
	25	Received from supplier 320 units @ Rs. 18
	26	Issue 115 units
	27	Received from supplier 100 units @ Rs. 23

The stock verifier of the factory had found a shortage of 10 units on 22nd and left a note accordingly.

(2 × 15 = 30 Marks)