



Reg. No. : .....

Name : .....

V Semester B.Com. Degree (CBCSS – Reg./Sup./Imp.) Examination,  
November 2018  
(2014 Admn. Onwards)  
Core Course  
5B10COM : COST ACCOUNTING

Time : 3 Hours

Max. Marks : 40

## PART – A

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

- 1) Last In First Out (LIFO) method is suitable in times of
- 2) Bin card is maintained by the
- 3) Overhead cost is the aggregate of indirect material cost, indirect wages cost and
- 4) \_\_\_\_\_ process loss should be transferred to costing profit and loss account. (4× $\frac{1}{2}$ =2)

## PART – B

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

- 5) What is a cost centre ?
- 6) What do you mean by cost unit ?
- 7) What is ABC analysis ?
- 8) What is Taylor's differential piece rate system ?
- 9) What is cost plus contract ?
- 10) What is time booking ? (4×1=4)



## PART – C

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

- 11) State the difference between bin card and stores ledger.
- 12) Explain FIFO, LIFO and Average Cost method of valuation of material issues.
- 13) Discuss (a) under absorption and (b) over absorption.
- 14) What is labour turnover ? What are its causes ?
- 15) Calculate minimum level, maximum level and re-ordering level from the following data :
  - Re-order quantity : 1500 units
  - Re-order period : 4 to 6 weeks
  - Maximum consumption : 400 units per week
  - Normal consumption : 300 units per week
  - Minimum consumption : 250 units per week.
- 16) Rate per hour = Rs. 2 per hour  
Time allowed for job : 30 hours  
Time taken = 20 hours.  
Calculate the total earnings of the worker under (i) Halsey plan and (ii) Rowan plan.
- 17) Calculate Machine hour rate from the following particulars :
  - Cost of machine Rs. 35,000
  - Estimated working life 15000 hours
  - Estimated scrap value Rs. 5,000
  - Working hours per year 2000 hours
  - Cost of repairs per year Rs. 3,000
  - Power consumption 10 units per hour at 15 paise per unit
  - Rent of department (machine  $\frac{1}{5}$ <sup>th</sup>) Rs. 1,000
  - Light (12 points in the department – 2 points engaged in the machine) Rs. 600
  - Foreman's salary ( $\frac{1}{4}$  of his time is occupied in the machine) 10,000
  - Insurance premium (fire) for machinery 200
  - Cotton waste Rs. 300.



18) The accounts of a Fridge Manufacturing Company Ltd. shows the following information for 2016.

Materials Rs. 3,70,000, Labour 2,90,000, Factory overheads Rs. 87,000 and Administrative overheads Rs. 59,760.

What should be the company quote for a Fridge ? It is estimated that Rs. 2,000 in material and Rs. 1,500 in labour will be required for one fridge. Absorb factory overheads on the basis of labour and administration overheads on the basis of works cost. A profit of 12.5% on selling price is required.

(6×3=18)

#### PART – D

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

19) A product passes through three distinct process to completion. These process are respectively A, B and C. During the week ended 15<sup>th</sup> October 2017, 500 units are produced. The following information is obtained :

	Process A	Process B	Process C
	Rs.	Rs.	Rs.
Direct materials	3,000	1,500	1,000
Direct labour	2,500	2,000	2,500
Direct expenses	500	100	500

The overhead expenses for the period were Rs. 1,400 apportioned to the processes on the basis of wages.

No work in progress or process stocks existed at the beginning or at the end of the week. Prepare process accounts.

20) Calculate Prime cost, Works cost, Cost of production, Cost of sales and profit from the following information.

Direct materials	1,40,000	Plant depreciation	1,300
Direct wages	25,000	Office premises depreciation	1,000
Direct expenses	5,000	Consumable stores	2,000
Wages of foreman	2,000	Managers salary	5,000
Electric power	500	Directors fees	1,700
Factory-lighting	1,500	Office stationery	500
Office lighting	500	Telephone charges	900



Storekeepers wages	2,000	Postage	400
Oil and water	500	Salesman's salaries	2,500
Factory rent	750	Travelling expenses	300
Office rent	1,000	Advertising	1,200
Plant repairs	400	Warehouse charges	1,900
Office repairs	800	Sales	2,25,000
Carriage outward	750		
Income tax	15,000		
Dividend	4,000		

21) a) Discuss the basis of overhead apportionment in a manufacturing company.

b) SS Industries Ltd. is divided into four departments A, B, C and D. The expenses incurred for a period are as follows :

	Rs.
Rent	2,000
Repairs	1,200
Plant depreciation	900
Power	1,800
Light	240
Employer's liability for insurance	300
Supervision	3,000
Insurance in respect of stock	1,000

The following details in respect of the departments are :

	A	B	C	D
Area (in sq. metres)	750	550	450	250
Total wages (Rs.)	6,000	4,000	3,000	2,000
No. of employees	20	15	10	5
Value of plant (Rs.)	36,000	27,000	18,000	9,000
Stock value (Rs.)	15,000	9,000	6,000	-
H.P. of plant	12	9	6	3

Apportion the costs to the various departments on the most equitable basis.

(2×8=16)