

Reg. No. :

Name :

Fifth Semester B.Com. Degree Examination, December 2023

First Degree Programme under CBCSS

Core Course

CO 1542/CC 1542/CX 1542/HM 1542/TT 1542

COST ACCOUNTING

(2018 Admission Onwards)

(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 output costing?
2. How do you compute works cost?
3. Define notional cost.
4. What is meant by indirect materials?
5. What is meant by double bin system?
6. How do you compute maximum stock level?

P.T.O.

7. What are the causes of normal idle time?
8. What are fringe benefits?
9. What is meant by premium bonus scheme?
10. What is labour hour rate?

(10 × 1 = 10 Marks)

SECTION – B

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

11. What is meant by apportionment of overheads?
12. What are semi-variable overheads?
13. List the features of Emerson's efficiency scheme.
14. What are the effects of labour turnover?
15. What is meant by merit rating?
16. What is spoilage?
17. Show the features of LIFO pricing of materials.
18. How to compute inventory turnover ratio?
19. Define EOQ.
20. What is marginal costing?
21. What is JIT?
22. What is meant by integral costing system?

(8 × 2 = 16 Marks)

SECTION – C

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

23. Following information relates to material x. Calculate Reorder level, Reorder quantity.

Maximum stock level: 8400 units

Budgeted consumption: Maximum 1500 units per month

Minimum 800 units per month

Estimated delivery period: Maximum 4 months

Minimum 2 months

24. Calculate the earnings of workers X, Y and Z under Merrick's differential piece rate system.

Normal rate per hour

Rs.18

Standard time per unit

1 minute

Output per day of 8 hours

X – 380 units, Y – 450 units, Z – 550 units

25. From the following data calculate inventory turnover ratio

	Material X (Rs.)	Material Y (Rs.)
Opening stock	30,000	80,000
Closing stock	20,000	60,000
Purchases	1,65,000	1,90,000

Determine the fast moving material.

26. A company's overhead distribution summary showed the following figures:

Production Depts: A - Rs.25,000, B - Rs.31,000, C - Rs.28,000

Service Depts: X - Rs.8,000, Y - Rs.13,900

The costs of service departments are charged out as follows:

	A	B	C	X	Y
Dept X	30%	20%	40%	-	10%
Dept Y	40%	15%	25%	20%	-

Prepare secondary distribution summary using repeated distribution method.

27. From the following particulars, find out the amount of cash required for payment of wages for a particular month.

Wages for normal time worked	Rs.31,000
Wages for overtime	Rs.2,000
Leave wages	Rs.2,500
Deduction of employees' shares to State insurance contribution	Rs.750
Employees' contribution to PF	Rs.1,500
House rent to be recovered from 20 employees at the rate of Rs.500 per month.	

28. Give notes on

(a) Bin card

(b) Material requisition note.

29. Explain the reasons for difference in profits of cost accounts and financial accounts.

30. Define normal idle time and show its reasons.

31. What are the features of an ideal wage plan?

(6 × 4 = 24 Marks)

SECTION – D

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

32. From the following receipts and issues of material X for the month of April, prepare Stores Ledger using simple average price method.

- 1 Opening balance 1100 units at Rs.60 per unit
- 4 Issued 450 units
- 6 Issued 150 units
- 12 Purchased 400 units at Rs.59 per unit
- 15 Refund of surplus from work order 30 units at Rs.58 per unit
- 16 Issued 350 units
- 20 Purchased 480 units at Rs.62 per unit
- 24 Issued 600 units
- 26 Purchased 600 units at Rs.64 units
- 27 Issued 520 units

33. Following figures are collected from the books of an iron foundry after the close of the year.

	Rs.
Opening stock of raw materials	7,000
Purchase of materials during the year	55,000
Closing stock of raw materials	5,000
Direct wages	12,000
Works overhead	50% of direct wages
Stores overhead	10% of the cost of materials

10% of the castings were rejected, being not up to the specifications and sum of Rs.600 was realised as scrap. 10% of the finished castings were found to be defective in manufacture and were rectified by expenditure of additional works overhead charges to the extent of 25% on proportionate direct wages. The total gross output during the year was 1000 tons.

Calculate the cost of saleable casings per ton.

34. Define cost accounting. Explain its advantages and limitations.

35. Define direct materials. Explain the cost effective purchase procedure of materials.

(2 × 15 = 30 Marks)