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Reg. No. : .....

Name : .....

**Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,  
November 2022**

**Paper II : COST ACCOUNTING**

Time : 3 Hours

Max. Marks : 80

I. Answer **any five** of the following. Each question carries **2** marks. Answers should not exceed **50** words each.

1. What is cost centre?
2. What is EOQ?
3. What do you mean by ABC analysis?
4. What is Labour turnover?
5. What is Periodical inventory system?
6. How to apportion the overheads?
7. What is Process Costing?
8. Define Marginal Costing.

**(5 × 2 = 10 Marks)**

P.T.O.

- II. Answer **any four** of the following. Each question carries **4** marks. Answer should not exceed **120** words each.
1. Find out the economic ordering quantity (EOQ) from the following particulars.  
Annual usage: 6,000 units Cost of material per unit: Rs. 20 Cost of Placing and receiving one order: Rs.60 Annual carrying cost of one unit: 10% of inventory value.
  2. State the limitations of Cost Accounting.
  3. Explain the following concepts: (a) Bin card (b) Stores ledger.
  4. Find the Prime Cost, Works Cost, Cost of production, total Cost and profit from the following: - Direct Materials Rs.20,000; Direct Labour Rs.10,000; Factory Expenses Rs.7,000; Administration Expenses Rs.5,000; Selling Expenses Rs.7,000 and Sales Rs.60,000.
  5. Rate per hour = Rs.1.50 per hour Time allowed for job = 20 hours' Time taken= 15 hours Calculate the total earnings of the worker under the Halsey Plan. Also find out effective rate of earnings.
  6. What is allocation of overheads and apportionment of overheads?

**(4 × 4 = 16 Marks)**

III. Answer **any four** of the following. Each question carries **6** marks each.

1. Define Cost Accounting. State the importance of Cost Accounting.
2. The Modern Company is divided into four departments: A, B and C are producing departments, and D is a service department. The actual costs for a period are as follows: Rent Rs.1,000 Repairs to Plant Rs.600 Supervision Rs.1,500 Fire Insurance in respect of Stock Rs.500 Depreciation of Plant Rs.450 Power Rs.900 Light Rs.120 Employers' liability for insurance Rs.150.

The following information is available in respect of the four departments;

	Dept. A	Dept.B	Dept.C	Dept.D
Area (sq. mtrs)	1,500	1,100	900	500
Number of Employees	20	15	10	5
Total Wages (Rs.)	6,000	4,000	3,000	2,000
Value of Plant (Rs.)	24,000	18,000	12,000	6,000
Value of stock (Rs.)	15,000	9,000	6,000	—
H.P. of Plant	24	18	12	6

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

3. Discuss the different systems of wage payment.
4. Calculate the minimum stock level, maximum stock level, re-ordering level and average stock level from the following information:
  - (a) Minimum consumption = 100 units per day
  - (b) Maximum consumption = 150 units per day
  - (c) Normal consumption = 120 units per day
  - (d) Re-order period = 10-15 days
  - (e) Re-order quantity = 1,500 units
  - (f) Normal re-order period = 12 days

5. Discuss the difference between financial accounting and Cost accounting.
6. (a) Calculate the ordering level of material A from the following particulars:

Minimum Limit 1,000 units.

Maximum Limit 5,000 units.

Daily requirement of material 200 units.

Time required for fresh delivery 10 days.

- (b) Calculate the re-ordering level from the following information:

Maximum consumption = 500 units per day

Minimum consumption = 400 units per day

Re-order period = 10 to 12 days.

**(4 × 6 = 24 Marks)**

- IV. Answer **any three** of the following. Each question carries **10** marks.

1. Calculate Prime Cost, Factory Cost, Cost of Production, Cost of Sales and profit from the following particulars:

	Rs.		Rs.
Direct Materials	1,00,000	Consumable stores	2,500
Direct Wages	30,000	Manager's Salary	5,000
Wages of Foreman	2,500	Directors' fees	1,250
Electric power	500	Office Stationery	500
Lighting: Factory	1,500	Telephone Charges	125
Office	500	Postage and Telegrams	250

	Rs.		Rs.
Storekeeper's wages	1,000	Salesmen's salary	1,250
Oil and water	500	Travelling expenses	500
Rent: Factory	5,000	Advertising	1,250
Office	2,500	Warehouse charges	500
Repairs and Renewals:		Sales	1,89,500
Factory plant	3,500	Carriage outward	375
Transfer to Reserves	1,000	Dividend	2,000
Discount on shares written off	500		
Depreciation: Factory Plant	500		
Office Premises	1,250		

2. From the following particulars find out "Direct Labour Rate".
- (a) Total number of labourers working in the department. 400
  - (b) Total working days in a year 300
  - (c) Number of working hours per day 8
  - (d) Total departmental overheads per year Rs.1,82,400
  - (e) Normal idle time allowed. 5 %
3. Define Costs. Discuss the classification of costs.
4. The received side of the Stores Ledger Account shows the following particulars:
- Jan. 1    Opening Balance: 500 units @ Rs 4
- Jan. 5    Received from vendor: 200 units Rs.4.25

Jan.12 Received from vendor: 150 units @ Rs.4.10

Jan.20 Received from vendor: 300 units @ Rs.4.50

Jan.25 Received from vendor: 400 units @ Rs.4

Issues of material were as follows:

Jan. 4 - 200 units; Jan.10 - 400 units; Jan. 15 - 100 units; Jan 19 - 100 units;  
Jan.26 - 200 units; Jan30 - 250 units.

Issues are to be priced on the principle of "first in first out". Write the Stores Ledger Account in respect of the materials for the month of January.

**(3 × 10 = 30 Marks)**