



Reg. No. :

Name :

**Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
February 2019****Paper – II : COST ACCOUNTING**

Time : 3 Hours

Max. Marks : 80

PART – AAnswer **any five** questions. **Each** question carries **2** marks.

1. What are the various elements of cost ?
2. Distinguish between direct cost and indirect cost.
3. List any four objectives of cost accounting.
4. State the different methods of Costing.
5. Distinguish between FIFO and LIFO.
6. What are the differences between time keeping and time booking ?
7. How will you classify overhead on the basis of elements of Cost ? **(5×2=10 Marks)**

PART – BAnswer **any four** questions. **Each** question carries **4** marks.

1. Distinguish between cost accounting and financial accounting.
2. Calculate the maximum level, minimum level, reorder level and average level from the following information.

Minimum Consumption – 100 units per day.

Maximum Consumption – 140 units per day.

Normal Consumption – 120 units per day.

Reorder period – 10 – 15 days.

Reorder quantity – 1400 units.

Normal reorder period – 12 days.

3. From the following transactions, prepare a stores ledger account using FIFO method.

2017 January 1 Opening Stock 500 units @ Rs. 12 each

2 Purchased 300 units @ Rs. 13 each

5 Issued 400 units



| | | |
|----|-----------|---------------------------|
| 10 | Purchased | 1000 units @ Rs. 15 each. |
| 15 | Issued | 500 units. |
| 20 | Issued | 200 units. |
| 25 | Purchased | 600 units @ Rs. 16 each. |
| 27 | Issued | 500 units. |

4. What are the merits and demerits of time rate system ?
5. Distinguish between allocation and apportionment of overhead. (4×4=16 Marks)

PART - C

Answer **any four** questions. **Each** question carries **6** marks.

1. Find out 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 per one unit | - | 10% of inventory value |

2. Calculate normal and overtime wages payable to a worker from the following data.

| | | |
|--------------------------------|---|------------------------------|
| Normal working hours in a week | - | 44 hours |
| Actual hours worked | - | 50 hours |
| Rate per hour | - | Normal Rs. 20 |
| | | Overtime 200% of normal rate |

3. From the following information, calculate labour turnover rate by different methods.

| | | |
|--|---|-----|
| No. of workers at the beginning of 2016 | - | 275 |
| No. of workers at the end of 2016 | - | 325 |
| No. of workers resigned during 2016 | - | 50 |
| No. of workers discharged during 2016 | - | 10 |
| No. of workers replaced in 2016 due to resignations and discharge. | - | 40 |

4. Calculate machine hour rate for the following machine.

| | | |
|------------------------|---|--------------|
| Cost of machine | - | Rs. 3,80,000 |
| Freight & Installation | - | Rs. 20,000 |



| | | |
|-------------------------|---|------------------------------------|
| Scrap value | - | Nil |
| Working life | - | 20 years |
| Working hours per annum | - | 8,000 hours |
| Repair charges | - | 50% of depreciations |
| Lubricating oil | - | Rs. 20 per day of 8 hours |
| Consumable Stores | - | Rs. 10 per day of 8 hours |
| Wages of operator | - | Rs. 50 per day of 8 hours |
| Power | - | 10 units per hour @ Rs. 2 per hour |

5. What are the advantages of Cost accounting to the management ? (4x6=24 Marks)

PART - D

Answer any three of the following. Each carries 10 marks.

1. Explain the steps involved in purchasing materials in a factory.
2. Compute wage per hour based on the following information of worker Revi.

| | | |
|---|---|---------------------|
| Wages per annum | - | Rs. 24,000 |
| Annual bonus | - | @ 25% of wages |
| Contribution to PF | - | @ 10% on wages |
| ESI Contribution | - | @ 3% of wages |
| Total leave permitted during the year | - | 60 days |
| Cost of labour welfare activities per annum | - | Rs. 72,000 |
| No. of workers | - | 100 |
| Normal idle time | - | 80 hours |
| Working days per annum | - | 320 days of 8 hours |

Revi has lost 60 hours on some days on account of failure of power supply.

3. Navaratna Company has four departments. A, B and C are production departments and D is a Service department. Other particulars are given below.

| | | |
|--------------|---|------------|
| | | Rs. |
| Rent | - | 5,000 |
| Repairs | - | 4,000 |
| Depreciation | - | 2,250 |
| Lighting | - | 600 |
| Power | - | 6,500 |



| | | |
|------------------------------------|---|-------|
| Supervision | – | 7,500 |
| Employer's liability for insurance | – | 750 |
| Fire insurance (Stock) | – | 2,500 |

The following information is available in respect of four Departments.

| Details | A | B | C | D |
|----------------------|--------|--------|--------|--------|
| Area (Sq. feet) | 1,500 | 1,100 | 900 | 500 |
| No. of employees | 40 | 30 | 20 | 10 |
| Total wages (Rs.) | 18,000 | 12,000 | 9,000 | 6,000 |
| Value of plant (Rs.) | 80,000 | 60,000 | 40,000 | 20,000 |
| Value of stock (Rs.) | 30,000 | 18,000 | 12,000 | – |

Selecting the most appropriate basis, apportion various items of cost among various departments.

4. From the following information obtained from the books of ABC Co. Ltd., for the year ending 31st December 2016, prepare a cost sheet showing various divisions of cost.

| | Rs. |
|--|------------|
| Stocks on 1 st January 2016 | |
| Raw materials | – 20,000 |
| Work in progress | – 10,000 |
| Finished goods | – 50,000 |
| Stocks on 31 st Dec. 2016 : | |
| Raw materials | – 25,000 |
| Work in progress | – 15,000 |
| Finished goods | – 60,000 |
| Purchase of raw materials | – 4,25,000 |
| Direct wages | – 2,50,000 |
| Chargeable expenses | – 10,000 |
| Factory overheads | – 80,000 |
| Administration overheads | – 45,000 |
| Selling & Distribution overheads | – 30,000 |
| Sales | – 9,20,000 |

(3×10=30 Marks)