

Reg. No. :

Name :

**Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
November 2019**

Paper II : COST ACCOUNTING

Time : 3 Hours

Max. Marks : 80

PART – A

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

1. What is prime cost?
2. What is bin card?
3. Define labour turnover.
4. What is merit rating?
5. Define departmentalization of overhead.
6. What is material abstract?
7. Define cost accounting.

(5 × 2 = 10 Marks)

PART – B

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

1. Distinguish between cost accounting and financial accounting.
2. Explain any two techniques of costing.

3. Illustrate VED analysis of materials
4. Explain functional classification of overhead.
5. List the merits and demerits of time wage system.

(4 × 4 = 16 Marks)

PART – C

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

1. A worker takes 9 hours to complete a job on daily wages and 6 hours on a scheme of payment by results. His rate is Rs.1.50 an hour, the material cost of the product is Rs.8.00 and the overheads are recovered at 150% of the direct wages. Calculate the factory cost of the product under
 - a) Halsey plan
 - b) Rowan plan.

2. Calculate machine hour rate from the following relating to machine X

	Rs.
Cost of machine	13,500
Scrap value	2,000
Working hours per annum	1800 hours
Insurance per annum	45
Cotton are per annum	75
Rent for the department per annum	975
Foreman's salary per annum	7,500
Lighting per annum	360
Repairs for entire life	1,406
Expected working life	10 years

Power 10 units per hour @ 75 ps per unit.

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

Wages for normal time worked	31,000
Wages for overtime	2,000
Leave wages	2,500
Employees share to ESI	750
Employees contribution to PF	1,500

House rent to be recovered from 20 employees at the rate of Rs.500 per month.

4. A manufacturer requires 75000 units of a particular material per year. The material cost is Rs.1.50 per unit and the carrying cost is estimated to be 25% p.a. of average inventory cost. The cost of placing an order is Rs.20. Find EOQ and the number orders per annum.
5. Give a note on centralized purchasing.

(4 × 6 = 24 Marks)

PART – D

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

1. Explain different types of material losses and their treatment in cost accounts.
2. The management of a manufacturing concern wants to find out the cost of 3000 units. The cost analysis of 2000 units gives the following information:

	Rs.
Materials	1,20,000
Labour	48,000
Factory overheads	3,000
Administrative overheads	2,000
Selling and distribution overheads	1,200

Further details:

- An increase of 10% is expected in the cost of raw materials and 5% in the cost of labour.
- 70% of the factory overheads are fixed and 30% are variable.
- Half of the selling and distribution overheads are fixed.
- The ratio of fixed and variable expenses in administrative overheads is 60:40. The management wishes to charge 25% profit on sale price. Ascertain the selling price.

3. Primary distribution summary of a manufacturing concern gives the following departmental totals:

Production departments:	X	Y	Z
	6300	7400	2800
Service departments:	P	Q	
	4500	2000	

Service departments' costs are apportioned on the basis of the following percentages:

	X	Y	Z	P	Q
P	40%	30%	20%	—	10%
Q	30%	30%	20%	20%	

Find the total overheads of the production departments using repeated distribution method.

4. From the following transactions relating to a material, prepare stores ledger under simple average and weighted average methods.

March 1	Balance in store 700 units @ Rs.4
7	Received 400 units @ Rs.5
12	Issued 300 units
15	Issued 350 units
24	Received 250 units @ Rs.6
30	Issued 300 units.

(3 × 10 = 30 Marks)