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Reg. No. : .....

Name : .....

Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination, December 2020

Paper II : COST ACCOUNTING

Time : 3 Hours

Max. Marks : 80

PART – A

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

1. What is factory cost?
2. What is double bin?
3. Define variable cost.
4. What is material turnover ratio?
5. What is meant by job evaluation?
6. Define costing.
7. What is scrap?

(5 × 2 = 10 Marks)

PART – B

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

1. Explain the advantages of cost accounting.
2. Illustrate ABC analysis of material control.
3. Explain any two methods of costing.

P.T.O.

4. List element wise classification of overhead.

5. Explain differential piece rate system of wages.

(4 × 4 = 16 Marks)

PART – C

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

1. Standard time allotted for a job is 20 hours and the rate per hour is Rs. 20 plus a dearness allowance of Rs. 5 per hour worked. Actual time taken by a worker is 15 hours. Calculate earnings under

   (a) Time rate system

   (b) Piece rate system

   (c) Halsey plan

   (d) Rowan plan

2. Calculate machine hour rate from the following:

Cost of machine	Rs. 19200
Estimated scrap value	1200
Average repair and maintenance charges per month	150
Standing charges allocated to machine per month	50

   Effective working life of machine: 10000 hours.
   Running time per month: 166 hours
   Power used by the machine: 5 units per hour @19 paise per unit.

3. From the following data given by personal dept. calculate labour turnover rate by applying (a) replacement method (b) flux method
   Number of workers on the payroll :

At the beginning of the month	900
At the end of the month	1100

   During the month, 10 workers left, 40 persons were discharged and 150 workers were recruited. Of these, 25 workers were recruited in the vacancies of those leaving while the rest were engaged for an expansion scheme.

4. Following information is available in respect of component X 01.

Maximum stock level	8400 units
Budgeted consumption	Maximum 1500 units per month
	Minimum 800 units per month
Estimate delivery period	Maximum 4 months
	Minimum 2 months

Calculate

(a) reorder level

(b) reorder quantity.

5. Differentiate between time kept and time booked.

(4 × 6 = 24 Marks)

PART – D

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

1. Explain the procedure for purchase of materials in a factory where cost accounting is applied.

2. A factory's normal capacity is 120000 units per annum. The estimated costs of production are as under:

   Direct materials: Rs. 3 per unit Direct labour: Rs. 2 per unit (subject to a minimum of Rs. 12,000 per month) Overhead: fixed Rs. 1,60,000 per annum, variable Rs. 2 per unit, semi variable Rs. 60,000 per annum upto 50% capacity and an additional Rs. 20,000 for every 20% increase in capacity or part thereof.

   Each unit of raw material yields scrap which is sold at the rate 20 paise. In 2018 the factory worked at 50% capacity for the first three months but it was expected that it would work @ 80% capacity for the remaining 9 months.

   During the first three months, the selling price per unit was RS. 12 what should be the price in the remaining nine months to produce a total profit of Rs. 2,18,000?

3. A company has three production departments and two service departments, and for a period the departmental distribution summary has the following totals:

Production departments: P1 - Rs. 800 P2 - Rs. 700 P3 - Rs.500

Service departments: S1 - Rs. 234 S2 - Rs. 300

The expenses of the service departments are charged out a percentage basis as follows:

	P1	P2	P3	S1	S2
S1	20%	40%	30%	-	10%
S2	40%	20%	20%	20%	–

Prepare a statement showing the apportionment of two service departments' expenses to production departments by simultaneous equation method.

4. On 1st March, 2018, 12 tones of a material were in store valued @ Rs. 140 per tone. On 3rd March, 15 tones of more material were received @ 150 per tone. On 5th March, 20 tones of materials was issued.

Calculate the price of the issue. if the issue of materials is priced according to:

(a) FIFO (b) LIFO (c) simple average (d) weighted average.

(3 × 10 = 30 Marks)
