

(Pages : 4)

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Reg. No. :

Name :

**Sixth Semester B.Com. LL.B. (Five Year Integrated) Degree Examination,
November 2024**

Paper II : COST ACCOUNTING

(2020 Admission Onwards)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. Define Prime Cost.
2. What is cost unit?
3. What is EOQ?
4. Define Overheads.
5. What is Time keeping?
6. What is labour turnover?
7. What is ABC?

(5 × 2 = 10 Marks)

SECTION – B

Answer any **four** of the following. Each question carries **4** marks.

8. Distinguish between direct and indirect cost.
9. Explain the functions of purchase department.

P.T.O.

10. What do you mean by fringe benefits?
11. From the following information calculate Prime Cost:

	Rs.
Direct Materials	4,98,000
Direct Labour	1,71,000
Opening Stock of Work-in-Progress	51,000
Closing Stock of Work-in-Progress	45,000
Work -in-progress valued at Prime Cost basis	

12. Find out EOQ from the following particulars:

Annual Usage : 6000 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.

(4 × 4 = 16 Marks)

SECTION - C

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

13. What is the classification of overheads?
14. What is Perpetual Inventory System? Explain its features.
15. What is Labour Turnover? What are its methods?
16. What are the objectives of cost accounting?
17. From the following information calculate cost of goods sold:

Cost of Production Rs.1,83,500; Opening Stock of Finished Goods Rs. 7,15,000;
Closing Stock of Finished Goods Rs.42,000.

(4 × 6 = 24 Marks)

SECTION – D

Answer any **three** questions. Each question carries **10** marks.

18. From the following information has been obtained from the cost records of Arya Chemical Ltd for 2022.

	Rs.
Finished Goods on 1-1-2022	50,000
Raw Materials on 1-1-2022	10,000
Work-in Progress 1-1-2012	14,000
Direct Labour	1,60,000
Purchase of Raw material	98,000
Indirect Labour	40,000
Head, Light and Power	20,000
Factory, Insurance and Taxes	5,000
Repairs to Plant	3,000
Factory Supplies	5,000
Depreciation-Factory Building	6000
Depreciation-Plant	10,000
Other information made available is:	
Factory cost of goods produced in 2022	2,80,000
Raw material consumed in 2022	95,000
Cost of goods sold	1,60,000

No office and administration expenses were incurred during the year 2022. Prepare Cost Sheet and ascertain what will be the selling price to obtain a profit of 20% on selling price.

19. Prepare a Stores Ledger Account from the following details using LEO of pricing the issue of materials:

April

- 1 Opening Balance 10,850 kgs @ Rs.130 per kg
- 2 Purchased 20,000 kgs @ Rs.134 per kg
- 3 Issued 6750 kgs to production
- 5 Issued 8500 kgs to production
- 6 Received back 550 kgs from production being surplus
- 7 Purchased 17550 kgs @ Rs.128 per kg
- 8 Issued 11250 kgs to production
- 9 Physical verification revealed a loss 250 kgs
- 10 Issued 8950 kgs to production
- 12 Issued 6300 kgs to production
- 15 Purchased 10,000 kgs @ Rs 132 per kg
- 16 Issued 7750 kgs to production

20. From the following information compute the machine hour rate No.10 for the month of January:

Cost of machine Rs.32000

Estimated scrap value Rs .2000

Effective working life 10,000 hours

Repairs and maintenance over the life period of machine Rs.2500

Standing charges allocated to this machine for January Rs.400

Power consumed by the machine @ Rs.0.30 per unit Rs.600

The machine consumes 10 units of power per hour.

21. "Costing system has become an essential tool in the hands of management". Comment.

(3 × 10 = 30 Marks)