



23133387

QP CODE: 23133387

Reg No : .....

Name : .....

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,  
OCTOBER 2023  
Fifth Semester**

**CORE COURSE - CO5CRT14 - COST ACCOUNTING - 1**

Common for all B.Com Degree Programmes

2017 Admission Onwards

C2BE5555

Time: 3 Hours

Max. Marks : 80

**Instructions to Private candidates only:** This question paper contains **two sections**. Answer **SECTION I** questions in the answer-book provided. **SECTION II**, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II**

**Part A**

Answer any **ten** questions.

Each question carries **2** marks.

1. Define Cost Accountancy.
2. What are Common Costs?
3. What is Job costing?
4. What is lead time?
5. What are the important functions of a stores keeper?
6. What is spoilage?
7. What is Over time?
8. What is Piece Wage system?
9. Explain objectives of costing of overhead.
10. Define cost allocation & cost apportionment.
11. What is over absorption and under absorption of overhead?
12. What is works on cost?

(10×2=20)





**Part B**

Answer any **six** questions.

Each question carries 5 marks.

13. What is cost reduction? Discuss the advantages of cost reduction.
14. Explain the FIFO and LIFO methods of pricing of material issues.
15. What are the merits of Rowan plan?
16. Calculate normal, overtime and total wages payable to a worker from the particulars given below-

Days	Hours worked
Monday	10
Tuesday	9
Wednesday	8
Thursday	12
Friday	9
Saturday	4

- Normal working hours – 8 hrs per day
- Saturday – 4 hrs per day
- Normal rate – 50 per day
- Overtime rate – upto 9 hrs per day at single rate; and beyond 9 hours a day at double rate

17. “Overhead which is common to two or more dept. or cost centres are required to be apportion among these depts. It has to be made on some equitable basis” Explain the important bases for apportionment of overhead.
18. A company’s expenses for the month of June 2018 is given below:-
  - Rent – Rs12500
  - Insurance –Rs1050
  - Depreciation-- 15% of value of machinery
  - Power—Rs3800
  - Lighting– Rs1250
 Additional information relating to the company:

Items	Production departments			Service departments		
	P1	P2	P3	Office	Service	workshop
Direct wages	20000	25000	30000			
Direct material	30000	35000	45000			
Indirect material	2000	3000	3000	1000	2000	2000





Indirect wages	3000	3000	4000	10000	10000	5000
Area in square metres	200	250	300	150	100	250
Value of machinery	30000	35000	25000	--	--	15000
Horse power of machines	15	20	25	--	--	5
Machine hours worked	10000	20000	15000	--	--	5000

Prepare an overhead primary distribution summary statement for the departments showing clearly the basis of apportionment where necessary.

19. The monthly budget of a department is as follows:  
 Direct Materials - 45000 , Direct wages - 60,000 , Factory overhead-90,000 , Direct Labour hours- 15000 hrs , Machine hours-30000 hrs Budgeted output-10000units  
 Calculate overhead recovery rate on the basis of:-  
 a) Direct material cost method  
 b) Direct labour cost method  
 c) Prime cost method  
 d) Labour hour rate method  
 e) Rate per unit of production method
20. Prepare a cost sheet for the year 2019. Opening Raw material:Rs.1,50,000; Closing Raw material:Rs.2,50,000; Raw material purchased:Rs.5,00,000; Direct Labour:Rs.2,00,000; Direct Expense:Rs.25,000; Works overhead:Rs.75,000; Administration overhead:Rs.25,000; Selling and distribution overhead: Rs.40,000. Profit @ 30% on Sales.
21. From the following prepare reconciliation statement.  
 Profit as per financial books-Rs.64,450; Over recovery of administrative overheads in cost accounts-Rs.850; Loss due to obsolescence charged in financial accounts-Rs.2,850; Depreciation charged in financial accounts-Rs.5,600; Depreciation recovered in cost accounts-Rs.6,000; Loss due to depreciatiion in stock values-2,000; Interest received -4,000; Income tax provided in financial accounts-Rs.20,000; Bank interest credited in financial accounts-Rs.250; Stores adjustment credited in financial books-240; Preliminary expenses written off-Rs.1,350; Works overhead underrecovered in cost books-Rs.1,550. Profit as per cost books-Rs.86,460.

(6×5=30)

### Part C

Answer any **two** questions.

Each question carries **15** marks.

22. What are the steps in installing a costing system?





23. A manufacturing Co. has two production depts. & three service depts. The departmental distribution summary showed the following expenses.

**Production Depts.**

Dept. X – Rs.32,000

Dept. Y – Rs. 20,000

**Service Depts.**

Time keeping Dept. – Rs. 16,000

Stores Dept. – Rs. 5000

Maintenance Dept. –Rs 3,000

Additional information

Base	Production Dept.		Service Dept.		
	X	Y	Time Keeping	Stores.	Maintenance.
No. of employees.	40	30	-	20	10
No. of stores requisitions	24	20	-	-	6
Machine hours	2400	1600	-	-	-

Apportion the overheads of service dept. to production dept., by using step ladder method.

24. Prepare a comparative cost sheet. The Cost of manufacturing a sewing machine is as under.  
Materials-Rs.100; Wages Rs.50; Variable overhead-Rs.25; Fixed overhead-Rs.75. The firm earns a profit of 20% on Cost. Number of Machines produced and sold-30,000, capacity is 40,000 machines. Should we accept an export for 5,000 machines at Rs.150 per machine?
25. What is a reconciliation statement? Why is it necessary to reconcile the profit shown by cost and financial accounts? Explain the main sources of differences which would enter into such a reconciliation.

(2×15=30)

