



QP CODE: 22103463

Reg No : .....

Name : .....

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,  
NOVEMBER 2022**

**Fifth Semester**

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

Common for all B.Com Degree Programmes

2017 Admission Onwards

3312A6B2

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**

**SECTION I**

**Part A**

Answer any **ten** questions.

Each question carries **2** marks.

1. Distinguish between costing and cost accounting.
2. What is target cost?
3. Name the two basic methods of costing.
4. How will you treat materials returned to vendor?
5. What is material cost accounting ? Explain its objectives.
6. State any two demerits of LIFO method.
7. What are the objectives of incentive plan?
8. Calculate value of stock and profit. Direct material-Rs.1,00,000; Factory Expenses-Rs.60,000; Prime cost-Rs.2,05,000; Office expenses-Rs.45,000; Sales-Rs.3,15,000. 10% of total output is in stock.
9. From the following particulars ascertain the labour cost per day of 8 hours.
  - a. Basic salary : 4000 per month
  - b. Dearness Allowance : 5% of basic salary





- c. Employer's contribution to provident fund : 8% of(a) and (b)
  - d. Employer's contribution to ESI : 2 ½ % of (a) and (b)
  - e. Pro- rata amenities on labour : 179. 5 per head per month
  - f. Working Hours in a month : 400
10. Define cost allocation & cost apportionment
11. What is Machine hour rate?
12. What is reconciliation statement? Explain its needs.

(10×2=20)

**Part B**

*Answer any six questions.*

*Each question carries 5 marks.*

13. Distinguish between Cost Centre and Profit Centre.
14. What are steps involved in the material purchase procedure ?
15. What is Idle time? What are its causes?
16. The following information is extracted from the records of a company for the month of March 2019:

Number of employees at the beginning of the month	950
Number of employees at the end of the month	1,050
Number of employees resigned	10
Number of employees discharged	30
Number of employees replaced in the vacancies	20
Number of employees appointed due to expansion	120

Calculate the monthly labour turnover rate.

17. Two components A and B are used as follows : Normal usage :50 units per week each  
Minimum usage :25 units per week each Maximum usage :75 units per week each  
Reorder quantity : A =300 units B =500 units  
Reorder period: A= 4 to 6 weeks B=2 to 4 weeks  
Calculate: a) Reorder level b) Minimum level c) Maximum level d) Average stock level
18. What do you mean by overhead absorption rates? Explain the various overhead rates.
19. 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

20. The accounts of Kool Ltd. discloses the following information for the year ending 31st March 2015.

Materials used-Rs.1,50,000; Direct wages-Rs.1,25,000; Factory overhead-Rs.25,000; Administration overhead-Rs.10,000.

Prepare a cost sheet and calculate the price which the company should quote for the manufacture of a machine requiring materials- Rs.1,500; Direct wages-Rs.500, so that the price may yield a profit of 20% on selling price.

21. The net profit of a manufacturing company for the year ended 31.03.2016 was Rs.5,15,020 as shown by financial books and Rs.6,89,600 as per cost books. Administrative overheads Over recovered in cost accounts-Rs.6,800; Loss due to obsolescence charged in financial accounts-Rs.22,800; Depreciation charged in financial accounts-Rs.44,800; Depreciation recovered in cost accounts-Rs.50,000; Loss due to depreciation in stock value charged only in financial accounts-Rs.27,000; Interest on investment-Rs.32,000; Income tax paid- Rs.1,61,200; Bank interest received-Rs.4,900; Stores adjustment (credit in financial books only)-Rs.200; Works overhead underabsorbed in cost books-Rs.12,480. .Prepare reconciliation statement.

(6×5=30)

### Part C

Answer any **two** questions.





Each question carries 15 marks.

22. A company has four production department P1,P2,P3&P4 and two service department S1&S2.

The particulars of expenses of the respective department are as follows:

P1-55000;P2-49500; P3-44000; P4-38500; S1-27500;S2-19000

The service department's expenses are charged out on a percentage basis given below:

	P1	P2	P3	P4	S1	S2
Department S1	10%	30%	20%	20%	--	20%
Department S2	30%	20%	30%	10%	10%	--

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. What is cost sheet? Explain its preparation. Prepare an imaginary cost sheet showing the various elements of cost and the profit.





25. The Mature Company furnishes the following information on 31st December 2017.  
Opening Raw material:Rs.16,000;Closing Raw material:Rs.18,000; Raw material purchased:Rs.2,40,000;Direct Labour:Rs.1,80,000; Direct Expense:Rs.5,000; Works overhead @ 75% on direct labour cost; Administration overhead @ 10% of sales; Selling and distribution overhead @ 15% of sales. Opening Work in progress:Rs.16,000; Closing Work in progress:Rs.10,000; Opening finished goods:Rs.5,000; Closing finished goods Rs.13,000; Sales:Rs.6,50,000. Prepare a cost sheet.

(2×15=30)

