PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom (CS) DEGREE EXAMINATION DECEMBER 2018
(Fifth Semester)

Branch - **CORPORATE SECRETARYSHIP**

CORE ELECTIVE -1; COST ACCOUNTING

Time : Three Hours ' Maximum : 75 Marks

SECTION-A (20 Marksl
Answer ALL questions
ALL questions carry EQUAL marks (10 x 2 = 20)

1 Define the term Costing,
2 What are the objectives of Cost Accounting?
3 What are the elements of Cost?
4 What is a Bin Card?
5 How do you calculate materials issued in FIFO method?
6 State the two classifications of labour.
7 Define Motion study.
8 What is Overhead?
9 What is meant by under absorption of overheads?
10 What is Abnormal gain?

SECTION - B (25 Marks!
Answer ALL Questions
ALL Questions Carry EQUAL Marks (5 x 5 = 25)

11 a What is Cost Accounting? Explain its advantages.

OR

b Compute prime cost from the following information:

	Rs.
Direct Wages	50,000
Chargeable expenses	5,000
Opening stock of Raw Materials	10,000
Raw materials bought during the period	60,000
Closing stock of Raw Materials	20,000
Carriage Inwards	1,500
Carriage Outwards	2,000
Raw Materials returned to supplier	1,500

12 a What are the duties and responsibilities of a Store Keeper?

OR

b From the following information calculate maximum, minimum and average stock levels.

Normal consumption per day	500 kgs
Minimum Consumption per day	200 kgs
Maximum Consumption per day	800 kgs
Lead time	10 to 16days
Reorder quantity	3,000 kgs

13 a From the following data given by the Personal Department, calculate the labour turnover rate by applying:
a) Seperation Method b) Replacement method c) Flux method
No. of Workers on the Payroll:
At the beginning of the month:900
At the end of the month: 1,100
During the month 10 workers left; 40 workers were discharged and 150 workers were recruited. Of these, 25workers are recruited in the vacancies of those leaving while the rest were engaged for an exception scheme,

OR

13 Cont...

   b The output of the worker A is 60 units in a 40 hours week. Guaranteed time rate is Rs.5 per hour. Ordinary piece rate is Rs.2 per unit. Calculate the earnings of worker A under time rate and piece rate systems.

14 a A factory has several production departments. The following details are relating to Dep.X for the month of January 2010.
     Direct wages for January 2010 Rs.30,000
     Factory Overheads allocated and apportioned to the department Rs. 12,000
     Calculate the overhead absorption rate based on direct wages for the month
<div align="center">OR</div>
   b Compute the machine hour rate from the following information:
     a) Electric charges Rs.0.75
     b) Insurance charges Rs.0.30
     c) Repair charges Rs.550 p.a.
     d) Machine value Rs. 15,000; Depreciation 10% p.a
     e) Machine will work for 2000 hours p.a.

15 a From the following particulars ascertain the amount of profit shown in Profit and Loss account by preparing necessary reconciliation account

Particulars	Rs.
a) Profit shown as per cost book'	1,40,000
b) Depreciation shown excess in cost books	2,000
c) Interest on investment received	1,000
d) Provision made for Income Tax	40,000
e) Income received for share transfer	150
I) Factory overhead under recovered in costbooks	3,000
g) Office expenses under recorded in financialbooks	1,000

<div align="center">OR</div>

   b How much profit any, you would allow to be considered in the following case?

	Rs.
Contract cost	11,20,000
Contract value	20,00,000
Cash received	10,80,000
Uncertified work	1,20,000

Deduction from bills by way of security deposit is 10%.

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SECTION - C (30 Marks)
Answer any **THREE** Questions
ALL Questions Carry **EQUAL** Marks ($3 \times 10 = 30$)
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16 The particulars of a factory for the year 2006 are given below:

	Rs.
Raw Materials	3,00,000[1]
Direct Wages	1,68,000
Works Overhead	1,50,000
Office Overhead	1,68,000
Selling Overhead	1,12,000
Distribution Overhead	70,000
Net Profit	1,10,000

In 2007, the expenses incurred on the execution of a work order:

Raw materials Rs. 12,000; Wages Rs.7,000; Assuming that in 2007 works overhead went up 20% distribution overhead went down by 10% and Selling and Office Overheads went up by 12%%, at what rate of price should be quoted so as to earn the rate of profit on the selling price same in 2006?

The following information is extracted from the stores ledger:

Sep.1	Opening balance	500 units at Rs.10
6	Purchases	100 units at Rs.11
20	Purchases	700 units at Rs.12
27	Purchases	400 units at Rs. 13
Oct. 13	Purchases	1,000 units at Rs.14
20	Purchases	500 units at Rs. 15
Nov. 17	Purchases	400 units at Rs.16

Issue of materials:

Sep. 9	500 units
22	500 units
30	500 units
Oct. 15	500 units
22	500 units
Nov.11	500 units

Issue are to be priced on the principle of FIFO. Prepare the stores ledger account.

18 Calculate the earnings of workers A,B and C under straight piece rate system and Merricks piece rate system from the following particulars:

Normal rate per hour Rs. 1.80
Standard time per unit 1 minute
Output per day is as follows:
Worker A - 384 units
Worker B - 450 units
Worker C - 552 units

Working hours per day are 8.

19 Y Ltd. has four departments A,B,C and D. A,B and C are production departments. D is a Service Department. The actual costs for a period are as follows:

Rs.	
Rent	4,000
Repairs	2,400
Depreciation	1.350
Lighting	0 0
Insurance of Stock	1,500!
Supervision	4,500
Power	2,700

following data are also available in respect of the four departments

	Dept.A	Dept.B	Dept.C	Dept.D
Area (sq.ft)	300	220	180	100
No. of Workers	36	24	18	12
Value of Plant(Rs.)	24,000	18,000	12,000	6,000
Value of Stock (Rs.)	15,000	9,000	6,000	

Apportion the costs to the various departments on the most equitable method.

20 The product of the company passes though two processes to completion know'n as A and B. Form past experience, it is ascertained that loss is incurred in each process as :

Process A - 2% Process B - 5%

In each case the percentage of loss is computed on the number of units entering the process concerned.

The loss of each process possesses a scrap value. The loss of process A and B is sold at Rs.5 per 100 units.

The output of each process passes immediately to the next process and the finished units are passed into stock.