

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION MAY 2023
(Third Semester)

Branch - COMMERCE (PROFESSIONAL ACCOUNTING)

COST & MANAGEMENT ACCOUNTING – I

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 Cost of sales plus profit is _____.
(i) Selling price (ii) Value of finished goods
(iii) Value of goods produced (iv) Value of stocks
- 2 Material requisition is meant for _____.
(i) Purchase of material (ii) Supply of material from stores
(iii) Sale of material (iv) Demand of material
- 3 Time wages are paid on the basis of _____.
(i) Standard time (ii) Absolute time
(iii) Output produced (iv) Actual time
- 4 Factory overhead is also termed as _____.
(i) Sundry overhead (ii) Extra overhead
(iii) Works overhead (iv) Job overheads
- 5 In Job Costing, each _____ is a cost unit.
(i) Job (ii) Process
(iii) Batch (iv) Overhead

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Distinguish between cost accounting and financial accounting.
(OR)
b Deliberate the essentials of material control.
- 7 a Compute the minimum stock level:
Normal usage of material per month : 200 units
Normal reorder period : 2 months
Minimum reorder period : 1 month
Reorder level : 800 units.
(OR)
b Calculate the Economic Order Quantity from the following particulars:
Annual requirements = 1,600 units
Cost of Material per unit Rs.40
Cost of placing and receiving one order Rs.50
Annual carrying cost of inventory, 10% of inventory value.
- 8 a Compute the labour cost per man day of 8 hours from the following details:
(a) Basic Wage Rs. 2,000 per month
(b) Dearness Allowance @ 20% of the basic wage.
(c) Leave pay @ 10% of the basic wage.
(d) Contribution to provident fund by the Employer @ 5% of the basic wage.
(e) Working days of the month 25 days of 8 hours each.
(OR)
b Raj works in a factory where the following particulars apply:
Normal rate per hour Rs.1.50
Normal piece rate = 20% more of time rate
Expected output 20 units per hour
Raj produces 157 units in an 8 hour day
Calculate his wages for the day on : a) Time basis and b) Piece basis.

Cont...

- 9 a A Limited Company has the following overheads at the production level of 50,000 units:

Works overhead (60% fixed) Rs. 2.50 per unit

Administrative overhead (80% fixed) Rs. 0.40 per unit

Find out the total overheads for a production level of 1,00,000 units.

(OR)

- b Explain the methods of absorption of overhead.

- 10 a State the features of job costing.

(OR)

- b Calculate the economic batch quantity for a product using batch costing from the following details:

Annual demand for the product 2000 units

Set up cost per batch Rs. 10

Cost of carrying inventory per unit Re.1.

SECTION -C

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a During the year 2008, X Ltd., produced 50,000 units of a product. The following were the expenses:

	Rs.
Stock of raw materials on 1.1.2008	10,000
Stock of raw materials on 31.12.2008	20,000
Purchases	1,60,000
Direct wages	75,000
Direct expenses	25,000
Factory expenses	37,500
Office expenses	62,500
Selling expenses	25,000

You are required to prepare a Cost sheet showing cost per unit and total cost at each stage.

(OR)

- b Explain the scope of management accounting.

- 12 a Deliberate the essentials of material control.

(OR)

- b The following information is extracted from the stores ledger:

Jan 1 Opening balance	500 units @ Rs.4
Jan 5 Purchases	200 units @ Rs.4.25
Jan 12 Purchases	150 units @ Rs.4.10
Jan 20 Purchases	300 units @ Rs.4.50
Jan 25 Purchases	400 units @ Rs.4

Issues of Materials were as follows:

Jan 4	: 200 units
10	: 400 units
15	: 100 units
19	: 100 units
26	: 200 units
30	: 250 units

Issues are to be priced on the principle of 'FIFO' method. Write the stores ledger account.

- 13 a A worker takes 9 hours to complete a product on daily wages and 6 hours on a scheme of payment by results. His day rate is 75 paise an hour, the material cost of the product is Rs.4 and the overheads are recovered at 150% of the total direct wages. Calculate the factory cost of the product under:

- Piece work plan
- Rowan plan
- Halsey plan.

(OR)

Cont...

- 13 b Calculate the earnings of workers A and B under straight piece rate system and Taylor's differential piece rate system from the following particulars:
 Normal rate per hour Rs.1.80
 Standard time per unit 20 seconds
 Differentials to be applied
 80% of piece rate below standard
 120% of piece rate at or above standard
 Worker A produces 1,300 units per day and worker B produces 1,500 units per day.

- 14 a Elaborate the classifications of overhead cost.

(OR)

- b The following information for the year ended 31, December 2006 is obtained from the books and records of a factory.

	Completed Jobs	Work-in-progress
	Rs.	Rs.
Raw materials supplied from stores	90,000	30,000
Wages	1,00,000	40,000
Chargeable expenses	10,000	4,000
Materials transferred to work-in-progress	2,000	-
Materials returned to stores	1,000	-

Factory overhead is 80% of wages and office overheads 25% of factory cost. The value of the executed contracts during 2006 was Rs.4,10,000. Prepare a) Consolidated completed jobs account showing the profit made or jobs incurred on the contracts and b) Consolidated work-in-progress account.

- 15 a From the following information prepare Job No.236 account in the Job Cost Ledger:

	Rs.
Direct materials purchased	3,600
Direct materials received from stores	25,200
Direct wages	14,400
Other direct expenses	1,500

The works overheads are to be taken at 75% of wages and administrative overheads at 25% of works cost. The contract price of Job No.236 which is completed is fixed as Rs.82,500.

(OR)

- b Discuss the advantage and disadvantage of activity based costing.

Z-Z-Z

END