

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BVoc DEGREE EXAMINATION DECEMBER 2024  
(Fifth Semester)

Branch – COMMERCE (BANKING, STOCK AND INSURANCE)

COST AND MANAGEMENT ACCOUNTING

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 The techniques and process of ascertaining cost is known as  
(i) Costing (ii) Cost Accounting  
(iii) Cost audit (iv) Cost Control
- 2 The quantity fixed at a point where the total cost of ordering and the total cost of carrying the inventory will be the minimum is termed as \_\_\_\_\_  
(i) Cost of storage (ii) Loss of production  
(iii) Cost of purchase (iv) None of these
- 3 The process of recovering overheads in the cost of production is known as \_\_\_\_ of overhead  
(i) Distribution (ii) Absorption  
(iii) Summary (iv) Allocation
- 4 The term Management Accounting was first coined by the British Team of Accountants that visited the \_\_\_\_\_  
(i) USA (ii) China  
(iii) India (iv) Japan
- 5 Increase in amount of debtors results in  
(i) decrease in cash (ii) increase in cash  
(iii) No change (iv) None of the above

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a What are the advantages of cost accounting.  
OR  
b Bring out the limitations of cost accounting.
- 7 a Calculate Labour Turnover in three methods:  
Total number of employees at the beginning of the month 2010  
Total number of employees at the end of the month 1990  
No. of employees who left during the month 50  
No. of employees who are recruited during the month 30  
OR  
b From the following, calculate the wages under Halsey and Rowan systems:  
Time allowed :48 hours , Time taken :40 hour , Rate per hour : Re. 1
- 8 a Calculate machine hour rate for machine A:  
Cost of machine Rs. 16,000  
Estimated scrap value Rs. 1000  
Running time per 4 weekly period 160 hours  
Average cost of repairs and maintenance per 4 weekly period 120. Sanding charges allocated to machine A per 4 weekly period 40. Power used by the machine 4 units per hour at a cost of 5 paise per hour.

OR

Cont...

- b From the following particulars, calculate blanket and department overhead rates:

Department	Direct wages Rs.	Overhead Rs
A	75,000	60,000
B	20,000	40,000
C	30,000	30,000
D	35,000	30,000
	1,60,000	1,60,000

- 9 a Explain the objectives of management Accounting

OR

- b Analyse the scope of management Accounting.

- 10 a From the following information Prepare Fund Flow Statement for the year 31-12-1996:

- Increase in working capital Rs. 4,000.
- Net Profit before writing off goodwill Rs.10,750.
- Depreciation for fixed assets Rs.1,750
- Dividend paid Rs. 3,500.
- Good will Rs. 5,000 written out of Profits.
- Rs. 5,000 share capital was issued for cash.
- Machinery was purchased for Rs. 10,000.

OR

- b After taking on to consideration the under mentioned items, Jain Ltd. made a net profit of 1,00,000 for the year ended 31st December 2000.

Loss on sale of machinery Rs.10,000

Depreciation on building Rs.4,000

Depreciation on machinery Rs.5,000

Preliminary expenses written off Rs. 5,000

Provision for taxation Rs. 10,000

Goodwill written off Rs. 5,000

Gain on sale of buildings Rs. 8,000

Find out cash from operation.

### SECTION -C (30 Marks)

Answer any **Three** questions

**ALL** questions carry **EQUAL** Marks

(3 x 10 = 30)

- 11 Prepare a cost sheet fromt the following details.

Raw materials consumed	Rs. 80,000
Direct wages	Rs. 48,000
Machine houres worked	Rs. .8,000
Machine hourses rate	-Rs. .4.00
Office overheads	10% of works cost
Selling overheads	Rs. 1.50 per unit
Units produced	4,000
Units sold	- 3600 @ Rs. 50 each

- 12 From the following information prepare a stores ledger account under Weighted average price method and FIFO method.

- 1995 December 1. Opening balance 60 Kg at Rs. 9n issued 45 Kg
- December 2. Purchased 70 Kg at Rs. 9.15
5. Issued 33Kg. At the time of verification it is found that there is a shortage of 2 Kg
9. Retruned to stores 12 Kg(which were issued at Rs. 7.35)
13. Issued 27 Kg.
20. Purchased 43 Kg at Rs. 10.45
27. Issued 12 Kg.

Cont...

- 13 In a factory there are three production Departments A, B and C and two service departments P and Q. For April 1996 the department expenses were:

A- Rs. 1,30,000; B Rs. 1,20,000; CRs. 1,00,000;

P-Rs. 24,000; Q-Rs. 20,000.

The Service department expenses are appointed on percentage basis as given below:

Departments					
	A	B	C	P	Q
P	30%	40%	15%	-	15%
Q	40%	30%	25%	5%	-

Prepare a statement showing the distribution of service department overheads to production department under Repeated Distribution method.

- 14 Differentiate between cost Accounting and management Accounting.
- 15 Prepare a statement of changes in working capital from the following Balance Sheets of Ram Seth Company.

Balance Sheet as on 31st December

Liabilities	2009 Rs	2010 Rs	Assets	2009 Rs	2010 Rs
Equity Capital	5,00,000	5,00,000	Fixed Assets	6,00,000	7,00,000
Debentures	3,70,000	4,50,000	Long term	2,00,000	1,00,000
Tax Payable	77,000	43,000	Investment		
Creditors	96,000	1,92,000	Work-in-progress	80,000	90,000
Interest	37,000	45,000	Stocks		
Payable	50,000	35,000	Debtors	1,50,000	2,25,000
Divided			Cash	70,000	1,40,000
Payable				30,000	10,000
	11,30,000	12,65,000		11,30,000	12,65,000

Z-Z-Z

END