

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION DECEMBER 2022  
(Fifth Semester)

Branch – CORPORATE SECRETARYSHIP

**DISCIPLINE SPECIFIC ELECTIVE – I : COST ACCOUNTING**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(10 x 1 = 10)

- 1 Which costing uses the same costing principles and practices?  
(i) Standard (ii) Marginal  
(iii) Uniform (iv) Historical
- 2 Which cost shows all direct items?  
(i) Prime cost (ii) Works cost  
(iii) Fixed cost (iv) Variable cost
- 3 Who maintains Bin card?  
(i) Accountant (ii) Clerk  
(iii) Storekeeper (iv) Manager
- 4 State the reason for which VED Analysis is used.  
(i) To control raw materials (ii) To control spare parts  
(iii) To control stock (iv) To control purchases
- 5 How many piece rates are there in Taylor's Differential Piece Rate system?  
(i) Five (ii) Four (iii) Three (iv) Two
- 6 Which of the following methods of wage payment does not guarantee wages on time basis?  
(i) Time rate system (ii) Piece rate system  
(iii) Halsey system (iv) Rowan system
- 7 State the basis of apportionment for rent expenses.  
(i) Area (ii) Interior design  
(iii) Locality (iv) Paint
- 8 Indicate the correct one for the statement "The allotment of whole items of cost to cost centre is"  
(i) Cost allocation (ii) Cost apportionment  
(iii) Overhead absorption (iv) Overhead allotment
- 9 When the completion stage of the contract is more than half, then what portion of profit will be credited to P & L a/c?  
(i)  $1/3^{\text{rd}}$  (ii)  $2/3^{\text{rd}}$  (iii)  $1/4^{\text{th}}$  (iv)  $3/5^{\text{th}}$
- 10 When actual loss in a process is less than the anticipated loss, then the difference between the two is known as?  
(i) Abnormal gain (ii) Abnormal loss  
(iii) Normal loss (iv) Normal gain

Cont...

**SECTION - B (35 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

- 11 a Explain the objectives of Cost Accounting.

(OR)

- b Prepare cost sheet from the following particulars.

Particulars	Rupees	Particulars	Rupees
Opening stock of raw materials	25,000	Office salary	2,500
Purchase of raw materials	85,000	Salesmen salary	2,000
Closing stock of raw materials	40,000	Other factory expenses	5,700
Carriage inward	5,000	Other office expenses	900
Direct wages	90,000	Manager's remuneration	12,000
Indirect wages	10,000	Bad debts written off	1,000
Factory rent	5,000	Advertisement expenses	2,000
Office rent	500	Traveling expenses	1,100
Plant and machinery depreciation	1,500	Carriage outward	1,000
Office furniture depreciation	100	Sales	2,50,000
Indirect material	500	Income tax paid	15,000
		Cash discount	5,000

Manager's remuneration is to be allocated as Rs 4,000 to factory, Rs 2,000 to office and Rs 6,000 to selling.

- 12 a Find out the minimum stock level, maximum stock level and ordering level from the following particulars.

Minimum consumption 100 units per day; Maximum consumption 175 units per day; Normal consumption 125 units per day; re-order quantity 1500 units; minimum period for receiving goods is 7 days; maximum period for receiving goods is 15 days; normal period for receiving goods is 10 days.

(OR)

- b Prepare stores ledger under weighted average method.

Date	Particulars	Units	Cost per unit Rupees
April 1	Balance b/f	300	2.00
April 2	Purchased	200	2.20
April 4	Issued	150	---
April 6	Purchased	200	2.30
April 11	Issued	150	---
April 19	Issued	200	---
April 22	Purchased	200	2.40
April 27	Issued	150	---

- 13 a Bring out the causes for labour turnover.

(OR)

- b Calculate the total earnings of two workmen under the Halsey and Rowan plans. Standard time 20 hours, hourly rate of wages Rs 4. Time taken by X – 10 hours and Y – 8 hours.

- 14 a From the following calculate machine hour rate:

Purchase price of the machine with scrap value of zero is Rs 90,000; installation and incidental charges incurred on the machine is Rs 10,000 ; life of the machine is 10 years of 2000 working hours each; repairing charges 50% of depreciation; machine consumes 10 units of electric power per hour @10 paise per unit ; oil expenses @ Rs 2 per day of 8 hours ; consumable stores @ Rs 10 per day of 8 hours. The operators are engaged on the machine @ Rs4 per day of 8 hours.

(OR)

- b The financial profit and loss account of a manufacturing company for the year ended 31<sup>st</sup> March 2021 is as follows:

To materials consumed	50,000	By sales	1,24,000
To carriage inwards	34,000		
To work expenses	12,000		
To direct wages	1,000		
To administration expenses	4,500		
To selling and distribution expenses	6,500		
To debenture interest	1,000		
To net profit	15,000		
	1,24,000		1,24,000

The net profit shown by the cost accounts for the year is Rs 16,270. Upon detailed comparison of the two sets of accounts it is found that: The amounts charged in the cost accounts in respect of overhead charges are as follows; works overhead charges Rs 11,500; office overhead charges Rs 4,590; selling and distribution expenses Rs 6,640. No charge has been made in the cost accounts in respect of debenture interest. You are required to reconcile the profits shown by the two sets of accounts.

- 15 a Explain the features of Contract Account.

(OR)

- b Prepare process account from the following.

Particulars	Process – A in rupees	Process – B in rupees
Wages and materials	30,000	11,750
Works overhead	6,000	5,500
Production in units	36,000	37,500
Stock on 1 <sup>st</sup> July in units		4,000
Stock on 31 <sup>st</sup> July in units		1,000

**SECTION - C (30 Marks)**

Answer any **THREE** Questions

**ALL** Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Prepare cost sheet from the following information

Particulars	Opening stock in Rs	Closing stock in Rs
Materials	40,000	50,000
Work in progress	10,000	14,000
Finished goods	1,00,000	1,50,000

Particulars	Rupees	Particulars	Rupees
Indirect labour	50,000	Administration expenses	1,00,000
Lubricants	10,000	Power	30,000
Insurance on plant	3,000	Direct labour	3,00,000
Purchase of raw materials	4,00,000	Depreciation on machinery	50,000
Sales commission	60,000	Factory rent	60,000
Salaries of salesmen	1,00,000	Property tax on factory building	11,000
Carriage outward	20,000	Sales	12,00,000

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- 17 Prepare stores ledger under FIFO and LIFO method.

Date	Particulars	Units	Cost in Rupees
March, 1	Purchased	200	20
March, 4	Issued	100	--
March, 10	Issued	50	--
March, 18	Purchased	309	18
March, 20	Issued	250	--
March, 30	Purchased	100	16
March, 31	Issued	100	--

- 18 From the following particulars work out the earnings for the week of a worker under:

- (i) Straight piece rate
- (ii) Differential piece rate
- (iii) Halsey premium system and
- (iv) Rowan system.

Number of working hours per week 48 ; wages per hour Rs3.75 ; rate per piece Rs 1.50 ; normal time per piece 20 minutes ; normal output per week 120 pieces ; actual output for the week 150 pieces. Differential piece rate : 80% piece rate when output is below standard and 120% when above standard.

- 19 Prepare overhead distribution summary from the following.

Particular	Total Rs	A Rs	B Rs	C Rs	S1 Rs	S2 Rs
Direct material		1,000	2,000	4,000	2,000	1,000
Direct wages		5,000	2,000	8,000	1,000	2,000
Factory rent	4,000					
Power	2,500					
Depreciation	1,000					
Overheads	9,000					
Area (Sq.ft)		500	250	500	250	500
Capital value (Rs lakhs) of assets		20	40	20	10	10
Machine hours		1,000	2,000	4,000	1,000	1,000
Horse power of machines		50	40	20	15	25

Apportionment of expenses of service departments is as follows

Particulars	A %	B %	C %	S1 %	S2 %
Service department S1	45	15	30	---	10
Service department S2	60	35	---	5	---

- 20 From the following particulars prepare Contract Account:

Materials charged out to site Rs31540 ; labour Rs 75,300 ; foreman's salaries Rs 11,700 ; a machine costing Rs 25,000 has been on site for 73 days. Its working life is estimated at five years and its final scrap value at Rs 1,000; a supervisor who is paid Rs 18,000 per annum had spent approximately six months on this contract. All other expenses and administration amount to Rs 17,000. Materials in store at site at the end of the year cost Rs 2,500. The contract price is Rs 3,00,000. At the end of the year 2/3<sup>rd</sup> of the contract was completed for which amount, the architect's certificate had been issued and Rs 1,60,000 has so far been received on account.