

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom(CS) DEGREE EXAMINATION MAY 2019
(Fifth Semester)**

Branch - **CORPORATE SECRETARYSHIP**

CORE ELECTIVE - I COST ACCOUNTING

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10x2 = 20)

Write short answers:

- 1 What are the functions of cost accounting?
- 2 List out the different methods of costing.
- 3 State the difference between direct labour and indirect labour.
- 4 What do you mean by ABC analysis?
- 5 What is inventory control?
- 6 What is labour turnover?
- 7 What do you mean by work study?
- 8 State the classification of overheads.
- 9 How do you absorb manufacturing overheads Under direct material cost?
- 10 Define process cost.

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Enumerate the difference between management accounting and cost accounting.
OR

- b Calculate prime cost, factory cost, cost of production, cost of sales and profit from the following details:

	Rs.
Direct materials	10,000
Direct labour	4,000
Direct expenses	500
Factory expenses	1,500
Administrative expenses	1,000
Selling expenses	300
Sales	20,000

- 12 a Briefly explain the various inventory control techniques.
OR

- b Calculate economic ordering quantity from the following particulars:

Annual requirement - 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.

- 13 a From the following data prepare a statement showing cost per man day of eight hours.
- i) Basic salary and dearness allowance Rs. 3,000 p.m.
 - ii) Leave salary 6% of the basic and D.A.
 - iii) Employee's contribution of the P.F. 6% of (i) Plus (ii)
 - iv) Employer's contribution to the P.F. 6% of (i) plus (ii)
 - v) Number of working hours in a month 200.

OR

- b Rajan Ltd. follows Taylor's differential piece rate system - 80 and 120 being the differentials for below standard and above standard work.

From the following ascertain the earnings for workers X and Y.

Standard time 15 minutes pr unit

Time worked 8 hours

Units produced X : 28 Y : 35

- 14 a Materials used Rs. 105
 Direct wages Rs. 140
 Direct labour hours - 35 hours
 Estimated factory overhead for the year Rs. 52,500
 Estimated, labour hours for the year 1,05,000
 Compute the overhead to be charged on the basis of the direct labour hour rate.

OR

- b Calculate the machine hour rate for the following machine whose scrap value is 'nil',
- i) Cost of machine Rs. 3,60,000
 - ii) Freight and installation Rs. 40,000
 - iii) Working life: 20 year
 - iv) Working hours : 8,000 per year
 - v) Repair charges : 50% of depreciation
 - vi) Power : 10 units per hour @ 10 paise per unit
 - vii) Lubricating oil @ Rs. 2 per day of 8 hours
 - viii) Consumable stores @ Rs. 10 pre day of 8 hours
 - ix) Wages of operator @ Rs. 4 per day.

- 15 a From the details given below, find out profit as per financial a/c.

- i) Profit as per cost a/c Rs. 1,50,300
- ii) Factory overhead under charged in cost books Rs. 8,000
- iii) Administration overhead under charged in financial a/c Rs. 3,000
- iv) Depreciation over charged in cost a/c Rs. 1,900
- v) Interest on deposits Rs. 990
- vi) Share transfer fees in financial a/c Rs. 240
- vii) Provision for income tax Rs. 97,000.

OR

- b The following expenses were incurred on an unfinished contract during the accounting year 2010:

	Rs.
Material	90,000
Wages	80,000
Other expenses	5,000

Rs. 2,00,000 was received from the contractee, being 80% of the work certified, work done but not certified was Rs. 5,000. Determine the profit to be credited to profit and loss account in all the three alternatives given below:

- i) Contract price Rs. 3,00,000
- ii) Contract price Rs. 5,50,000
- iii) Contract price Rs. 12,00,000.

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 The following is the manufacturing and profit and loss account of Raj manufacturing Co., for year ended 31.3.2003, output 850 units.

Particulars	Rs.	Particulars	Rs.
To materials	64,000	By Sales	3,20,000
To wages	96,000		
To work expenses	40,000		
To salaries	48,000		
To office expenses	8,000		
To general expenses	24,000		
To selling expenses	16,000		
To net profit	24,000		
	3,20,000		3,20,000

Cont...

16 Cont...

For the year ending 31.3.2004, it is estimated that:

- i) Output and sales will be 1,000 units
- ii) Materials price will increase by 25%
- iii) Wage cost will increase by 12.5%
- iv) Works expenses will increase in proportion to the combined cost of materials and wages.
- v) Selling expenses per unit will remain constant
- vi) Other expense remain constant
- vii) Profit of 12.5% on sales is to be made.

Prepare a statement of cost and profit for the year and estimated costs and profit for the next year.

17 Prepare a stores ledger by adopting LIFO method from the following particulars

Date	Receipts	Issues
2,000 Jan. 1	300 units at Rs. 10 per unit	.
10	200 units at Rs. 12 per unit	.
15	.	250 units
18	200 units at Rs. 14 per unit	.
20	.	300 units
25	100 units at Rs. 16 per unit	.
31	.	100 units

18 Calculate the earnings of a worker under the following methods:
(a) Time rate method (b) Piece rate method (c) Halsey plan (d)
Rowan plan

Information given:

Standard time 30 hours

Time taken 20 hours

Hourly rate of wages Re. 1 per hour plus a dearness allowance at 50 paise per hour worked.

19 A factory has three production departments, A, B and C and two service departments X and Y, The overhead costs of the different departments incurred during March 2007 are as follows:

Departments	Cost (Rs.)
A	10,000
B	8,000
C	6,000
X	5,000
Y	3,000

The costs of department X have to be charged in the ratio of 2 : 2 : 1 and those of department Y equally to departments A, B and C respectively. Find out overhead costs of each production department.

20 In manufacturing a product, 1,000 kgs of raw materials at Rs. 8 per kg were supplied to process 'X'. Other expenses of the process were as follows:

Labour cost Rs. 2,000

Production expenses Rs. 1,000

Normal loss in the process has been estimated at 10% of the input and it could be sold at Rs. 2 per kg. The actual output in this process was 880 kgs which was transferred to process 'Y'.

Prepare process 'X' account and abnormal loss account.

Z-Z-Z

END