

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 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. Find the Prime cost plus variable overhead is known as
(i) Cost of sales (ii) Production cost
(iii) Total cost (iv) Marginal Cost
2. Identify Direct Material is a
(i) Selling and Distribution cost (ii) Administration cost
(iii) Manufacturing cost (iv) Any of the above
3. Who prepares the wage sheet?
(i) Cost accounting department (ii) Payroll department
(iii) Personal department (iv) Time keeping department.
4. Identify the Bad debt is an example of
(i) Manufacturing overhead (ii) Administrative overhead
(iii) Selling Overhead (iv) Distribution overhead
5. Which of the following items is included in cost accounts?
(i) Notional rent (ii) Rent receivable
(iii) Transfer to general reserve (iv) None of the above

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. (a). Describe the scope of Cost Accounting

[OR]

6. (b). The following cost data are available from the books for the year ended 31-12-2013.

	Rs
Direct materials	9,00,000
Direct wages	7,50,000
Profit	6,09,000
Selling and Distribution overhead	5,25,000
Administrative overhead	4,20,000
Factory overheads	4,50,000

Prepare a cost sheet indicating the prime cost, work cost, Production cost, Cost of sheet and sale value.

7. (a). Calculate the economic order quantity from the following particulars.

Annual usage	6,000 units
Cost of material per unit	Rs 20.
Cost of placing and receiving one order.	Rs 60.
Cost of carrying inventory	10% of cost.

[OR]

7. (b). From the following information, Calculate (a). Maximum stock level.

(b). Minimum stock level.	(c). Re-order level.	(d). Average stock level.
Minimum consumption		240 units per day.
Maximum consumption		420 units per day.
Normal consumption		300 units per day.
Re-order quantity		3,600 units
Re-order period		10-15 days.
Normal re-order period		12 days.

8. (a). The time card of a worker reveals that in a normal week of 48 hours, he worked for 52 hours at the rate of Rs 15 per hour. Taking overtime premium at 100% of the time rate, Calculate the gross wages.

[OR]

8. (b). Calculate the earning of Mr.A for a day under Taylor differential piece rate system:
 Standard output : Rs 60 units in a day of 8 hours.
 Low piece rate : Rs 1.50 per unit
 High piece rate: Rs 2.00 per unit.
 In a day of 8 hours Mr A has produced 60 units.
9. (a). The Modern Co. is divided into four department - A,B, C, are producing department and D is a Service department. The actual costs for a period are as follows:

	Rs
Rent	1,000
Repairs to plant	600
Depreciation on plant	450
Employer's Liability for insurance	150
Supervision	1,000
Fire insurance in respect of stock	500
Power	900
Light	120

The following information are available in respect of the 4 departments:

Particulars	Dept 'A'	Dept 'B'	Dept 'C'	Dept 'D'
Area (Sq. meters)	1,500	1,100	900	500
No of employees	20	15	10	5
Total wages (Rs)	6,000	4,000	3,000	2,000
Value of Plant (Rs)	24,000	18,000	12,000	6,000
Value of Stock (Rs)	15,000	9,000	6,000	----
H.P. of Plant	24	18	12	6

Apportion the costs of the various department on the most equitable basis.

[OR]

9. (b). Explain different kinds of overheads rates.
- 10.(a). Prepare a reconciliation statement from the following data:

	Rs
Net Profit as per financial books	63,780
Net Profit as per cost books	66,760
Factory overhead under – recovered in costing	5,700
Administrative overheads recovered in excess	4,250
Depreciation charged in financial books	3,660
Depreciation recovered in costing	3,950
Interest received but not included in costing	450
Income tax provided in financial books	600
Bank interest credited in financial books	230
Stores adjustments(Credited in Financial books)	420
Depreciation of stock charged in financial books	860
Dividend appropriation in financial books	1,200
Loss due to pilferage provided only in financial books	200

[OR]

- 10.(b). The following figures relate to two jobs of a manufacturing business which was completed in the week ending 6th June 2013. Compute the total cost by preparing a cost sheet with this information.

	Job No 1: Rs	Job No-2: Rs
Direct Materials	2,000	3,200
Direct labour	1,600	2,400
Charging expenses	400	600
Charging works overheads at 50% on direct labour and office overheads at 10% on works cost. What shall be the job price if 10% profit is determined on the supply price?		

Cont...

SECTION -C (30 Marks)Answer any **THREE** questions**ALL** questions carry **EQUAL** Marks

(3 x 10 = 30)

11. Compare the between 'Cost -Accounting and Financial Accounting'.
12. From the following particulars, write up the stores ledger card:
 2013Jan-1 Opening stock 2,000 units at Rs 5 each.
 5.Purchased 1,800 units at Rs 6 each.
 10.Issued 2,400 units.
 12.Purchased 1,600 units at Rs 6.20 each.
 15.Purchased 600 units at Rs 6.40 each.
 19.Issued 500 units.
 22.Issued 1,200 units.
 27.Purchased 400 units at Rs 6.50 each.
 31.Issued 1,200 units.
 Adopt base stock method with FIFO and LIFO. Base stock is 500 units out of opening stock.
13. Two workmen, Vishnu and Shiva Produce the same product using the same material. Their normal wages rate is also the same. Vishnu is paid bonus according to the Rowan System. While Shiva is paid bonus according to the Halsey System. The time allowed to make the product is 100 hours. Vishnu takes 60 hours, While Shiva takes 80 hours to complete the product. The factory overhead rate is Rs 10 per man hour actually worked. The factory cost of the product for Vishnu is Rs 7,280 and for shiva it is Rs 7,600. You are required to :
- (a). Find the normal rates of wages.
 (b). Find the cost of materials.
 (c). Prepare a statement comparing the factory cost of the product as made by the two workmen.
14. A Company has three production department A,B and C two Service Department X and Y. The expenses incurred by them during the month of April-2013 are:
- | | | | |
|---|------------|---|------------|
| A | Rs 80,000; | X | Rs 23,400; |
| B | Rs 70,000; | Y | Rs 30,000; |
| C | Rs 50,000; | | |
- The expenses of service department are apportioned to the production departments on the following basis:
- | A | B | C | X | Y | |
|----------------------|-------|-------|--------|-------|-------|
| Dept X | 20% | 40% | 30% | ---- | 10% |
| Dept Y | 40% | 20% | 20% | 20% | ---- |
| No of Units Produced | 1000 | 850 | 650 | ----- | ----- |
| | Units | Units | Units. | | |
- Calculate how the expenses of X and Y would be apportioned to A, B and C and Cost Per Units of each department.
15. From the following figures, prepare a reconciliation statement
- | | |
|--|--------|
| Net profit as per financial books | 63 780 |
| Net profit as per costing books | 66,760 |
| Factory overhead under recovered in costing | 5,700 |
| Administration overhead recovered in excess | 4,250 |
| Depreciation charged in financial books | 3,660 |
| Depreciation recovered in costing | 3,950 |
| Interest received but not included in costing | 450 |
| Income tax provided in financial books | 600 |
| Bank interest credited in financial books | 230 |
| Stores adjustment (credit) | 420 |
| Depreciation of stock charged in financial books | 860 |
| Dividends appropriated in financial books | 1,200 |
| Loss due to theft and pilferage provided only in financial books | 260 |