

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

**BCom DEGREE EXAMINATION DECEMBER 2022  
(Second Semester)**

Branch – **COMMERCE WITH (COST AND MANAGEMENT ACCOUNTING)**

**FUNDAMENTALS OF 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. Cost which are ascertained after they have been incurred are known as \_\_\_\_\_  
 (i) Imputed cost (ii) Sunk cost  
 (iii) Historical cost (iv) Opportunity cost
2. \_\_\_\_\_ is decided on the basis of ordering cost and carrying cost.  
 (i) EOQ (ii) Maximum stock level  
 (iii) Minimum stock level (iv) Average stock level
3. All such expenses which are incurred for creating and enhancing the demands for the products are  
 (i) Selling expenses (ii) Administrative expenses  
 (iii) Distribution expenses (iv) All of the above
4. \_\_\_\_\_ is the study of managerial aspects of financial accounting.  
 (i) Cost accounting (ii) Financial accounting  
 (iii) Management accounting (iv) Business accounting
5. Funds flow statement is based on the concept of \_\_\_\_\_.  
 (i) Going concern (ii) Business entity  
 (iii) Accounting period (iv) none of the above

**SECTION - B (15 Marks)**

Answer **ALL** Questions

**ALL** Questions Carry **EQUAL** Marks (5 x 3 = 15)

- 6 a List out the types of costing.  
 OR  
 b Prepare a cost sheet with the following details:

Direct materials	Rs.50, 000	Factory expenses	Rs. 5,000
Direct wages	Rs. 15,000	Office expenses	Rs. 1,000
Selling Expenses	Rs. 500		

- 7 a (i) Calculate the total earnings and the rate earned per hour of two workman under the Halsay Plan

Standard Time 20 Hrs	Time Taken	
Hourly rate of wages Rs.4	A- 16 hours	B- 8 Hours

- (ii) From the following particulars, calculate the earnings of A under Rowan Plan

Standard Time	10 hours	Time rate	Rs 1 Per hour	Time taken	9 hours
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OR

- b In a factory component A is used as follows:  
 Normal usage – 50 kg per week  
 Minimum usage – 25 kg per week  
 Maximum usage – 75 kg per week  
 Re-order quantity 300 kg  
 Re-order period 4 to 6 weeks  
 Calculate: (i) Re-order level (ii) Maximum level (iii) Minimum level and  
 (iv) Average stock level

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- 8 a Find out the overhead rate based on direct wages and direct labour hours

Direct labor hour	Rs.15,000	Direct wages	Rs.60,000	Overheads	Rs.90,000
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OR

- b The budget of a machine shop for 2018-19 is as follows:  
 Normal working week -42 hours  
 Number of machines -15  
 Hours spent on maintenance per week (normal loss) -5 hrs per machine  
 Estimated annual overhead Rs 5, 55,000  
 Number of working weeks in 2018-19 - 50  
**The actuals in respect of 4-week period in 2018-19 are:**  
 Overhead incurred Rs 49,000  
 Machine hour worked 2400  
 Calculate: a) Overhead rate per machine hour for 2018-19  
 The amount of over or under absorption of overhead in respect of the 4-week period.
- 9 a. Calculate operating ratio from the following:  
 Revenue from operation (Net Sales) – 5, 00,000  
 Cost of revenue from operation (Cost of Goods Sold) - 2, 00,000  
 Wages – 1, 00,000  
 Office and Administration expenses – 50,000  
 Interest on Borrowings – 10,000

OR

- b. From the following information, calculate inventory turnover ratio:  
 Inventory in the beginning = 18,000  
 Inventory at the end = 22,000  
 Net purchases = 46,000  
 Wages = 14,000  
 Revenue from operations = 80,000  
 Carriage inwards = 4,000
- 10 a. Difference between Fund flow and Cash flow statements.

OR

- b. Lively presents the following information and you are required to calculate funds from operations:

**Profit and Loss account**

Particulars	Rs	Particulars	Rs
To Operating Expenses	1,00,000	By Gross Profit	2,00,000
To Depreciation	40,000	By Gain on Sale of plant	20,000
To Loss on Sale of Building	10,000		
To Advertisement Suspense account	5,000		
To Discount Allowed	500		
To Discount on Issue of Share written off	500		
To Goodwill written off	12,000		
To Net Profit	52,000		

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a Prepare a cost sheet showing cost of production and profit from the following data.

	Opening (Rs.)	Closing(Rs.)
Stock of raw materials	75,000	78,750
Work- in- Progress	24,600	27,300
Stock of finished goods	52,080	47,250

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