

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION MAY 2018
(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 (10 x 2 = 20)

- 1 State any two objectives of Cost Accounting.
- 2 What is a Cost Sheet?
- 3 Define Material Central.
- 4 Write short note on EOQ.
- 5 Point out the differentials in Taylor's differential piece rate system.
- 6 What do you mean by Labour Turnover?
- 7 State any four methods of absorption of overhead.
- 8 On what basis would you allocate the following items?
(i) Rent (ii) Supervision (iii) Fire insurance (iv) Depreciation of Machinery
- 9 What is Notional Profit?
- 10 Explain the meaning of 'Normal Loss'.

SECTION - B (25 Marks)

Answer **ALL** Questions

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

- 11 a State the different between direct expenses and indirect expenses.
OR
- b Ascertain the direct material consumed for the period 31.3.2015.

Materials purchased	Rs. 4,48,000
Import duty on material purchased	Rs. 38,000
Stock of material on 1.1.2015	Rs. 1,62,000
Carriage on the material purchased	Rs. 40,000
Stock of Material on 31.3.2015	Rs. 1,46,000
- 12 a Calculate (a) Reorder level (b) Maximum level from the following particulars

Maximum usage in a month	600 units
Minimum usage in a month	400 units
Average usage in a month	450 units
Lead time:	Maximum 6 months, minimum 2 months
Reorder Quantity	1,500 units

OR

- b The standard price of a material is fixed at Rs.20 per unit. Show the stores ledger entries as they would appear when using the standard price method.

June 2014		Units	Rate (Rs.)
1	Balance in hand	400	20
4	Purchased	500	21
6	Issued	600	
8	Issued	200	
10	Purchased	700	19
12	Issued	150	
14	Issued	200	

- 13 a Mr. X a worker in a factory is paid on time basis. During the month of October 2013 he has worked for 200 hours. His hourly wages rate is Rs.10 per hour.

Mr. Y another employee of the company is paid on the basis of piece wages. During the month of October 2013 his output was 1,000 units. Rate of wages per piece is Rs.3.

Calculate the wages of respective workers for the month of October 2013.

OR

- b A Worker is paid of 25 paise per hour for completing a work within 8 hours. If he completes the work within 6 hours, calculate his wages under Halsey plan when the rate of premium is 50%. Also ascertain the effective hourly rate of earning by the worker.
- 14 a The works overhead of a department are Rs.3,00,000
The direct wages are 3,00,000
The direct material cost is 9,00,000
Ascertain the prime cost percentage rate of work overhead.
- OR
- b From the following particulars compute the machine hour rate.
(i) Cost of Machine Rs.3,60,000
(ii) Freight and installation Rs.40,000
(iii) Working life: 20 years
(iv) Working hours : 8,000 per year
(v) Repair charges: 50% on 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 per day of 8 hours
(ix) Wages of operator @ Rs.4 per day
- 15 a In manufacturing a product, 1000 units of raw materials at Rs.8 per unit were supplied to process 'X'. Other expenses of the process were as follows:
Labor 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 unit. The actual output in this process was 880 units which was transferred to process 'Y'. Prepare process 'X' account and abnormal loss account.
- OR
- b State the importance of Reconciliation of Cost and Financial Accounts.

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

- 16 The following information were obtained from the costing records of a manufacturing concern for the month of March 2015.

	Rs.	1.3.2015	31.3.2015
Raw materials	-	25,000	26,200
Finished goods		17,300	15,700
Work in progress		8,200	9,100
Purchase of raw materials	21,900		
Carriage on purchase	1,100		
Sale of finished goods	72,300		
Direct wages	17,200		
Non productive wages	800		
Direct expenses	1,200		
Factory overhead	8,300		
Administrative overheads	3,200		
Selling and distribution overheads	4,200		

Prepare a cost sheet.

- 17 The following particulars have been extracted in respect of material X. Prepare ledger account showing the receipts and issues. Pricing the materials issued on the basis of

(i) Simple Average method (ii) Weighted Average method

Receipts:

3rd Oct. Purchased 500 units at Rs.4.00 per unit

13th Oct. Purchased 900 units at Rs.4.30 per unit

23rd Oct. Purchased 600 units at Rs.3.80 per unit

Issues:

5th Oct. Issued 400 units

15th Oct. Issued 400 units

25th Oct. Issued 600 units

- 18 Calculate the total earnings and the rate earned per hour of three workmen under the Halsey and Rowan plans: the bonus under Halsey plan is 50% of the time saved.

Standard time 20 hours

Hourly rate of wages Rs.4

Time taken by A-16 hours; B-10 hours; C-8 hours

- 19 You are supplied with the following introduction and required to work out the production hour rate of recovery of overhead in department A,B and C under Repair Distribution method.

Particulars	Total (Rs.)	Production Depts			Service Depts.	
		A (Rs.)	B (Rs.)	C (Rs.)	P (Rs.)	Q (Rs.)
Rent	12,000	2,400	4,800	2,000	2,000	800
Electricity	4,000	800	2,000	500	400	300
Indirect Labor	6,000	1,200	2,000	1,000	800	1,000
Depreciation	5,000	2,500	1,600	200	500	200
Sundries	4,500	910	2,143	847	300	300
Total	31,500	7,810	12,543	4,547	4,000	2,600
Estimated Working Hours		1,000	2,500	1,400		

Expenses of Services departments P and Q are apportioned as under:

	A	B	C	D	E
P	30%	40%	20%	-	10%
Q	10%	20%	50%	20%	-

- 20 From the following information of Arun construction company prepare the contract account for 2016. The contract was for Rs.8,00,000.

	Rs.
Materials issue from store	1,50,000
Wages paid	2,20,000
General charges	8,000
Plant installed at site on 1 st October 2015	40,000
Materials on hand	8,000
Wages accrued due	8,000
Work certified	4,00,000
Works completed but not certified	12,000
Cash received	3,00,000
Materials transferred to other contracts	8,000
Materials received from other contracts	2,000

Depreciation on plant into be provided at 10% per annum.