



K21U 1591

Reg. No. :

Name :

V Semester B.Com. Degree (CBCSS – Sup./Imp.)
Examination, November 2021
(2015 – 18 Admns)
Core Course
5B10COM : COST ACCOUNTING

Time : 3 Hours

Max. Marks : 40

SECTION – A

Answer **all** questions. **Each** carries $\frac{1}{2}$ mark.

1. The value of benefit sacrificed in favour of an alternative course of action is known as _____ cost.
2. Allotment of overhead to cost unit is known as _____
3. Excess of actual loss over normal loss is called _____
4. Work-in-progress is shown on _____ side of balance sheet of contractor.

(4× $\frac{1}{2}$ =2)

SECTION – B

Answer **any four** questions. **Each** carries **one** mark.

5. What is cost centre ?
6. What is VED analysis ?
7. What is over absorption of overheads ?
8. What is escalation clause ?
9. What is motion study ?
10. How abnormal gain is treated in process accounts ?

(4×1=4)

SECTION – C

Answer **any six** questions (**not** exceeding **one** page). **Each** carries **three** marks.

11. Describe the procedure to be followed for purchase of material.
12. Distinguish between cost accounting and financial accounting.

P.T.O.



13. What is labour turnover ? Explain the causes of labour turnover.
14. Define overhead. What are principles and bases for overhead apportionment ?
15. The following information has been obtained from costing records of Excel Ltd. for the month of July 2015.

	1 st July 2015 (Rs.)	31 st July 2015 (Rs.)
Cost of raw materials	7,500	9,000
Cost of work in progress	3,500	4,000
Cost of finished goods in stock	14,000	17,000
Manufacturing wages	—	19,000
Manufacturing expenses (Factory OH)	—	9,000
Office expenses	—	6,000
Purchase of raw materials	—	60,000
Selling and distribution expenses	—	4,000
Sales		1,10,000

Prepare a cost sheet showing total cost and profit for the month of July 2015.

16. A company uses annually 50000 units of an item each costing Rs. 1.20. Each order cost Rs. 45 and inventory carrying cost 15% of the annual average inventory value :
 - a) Find EOQ.
 - b) If the company operates 250 days a year the procurement time is 10 days and safety stock is 500 units, find reorder level, maximum, minimum and average inventory.
17. Calculate the earnings of workers A and B under Straight Piece-rate System and Taylor's Differential Piece-rate System from the following particulars :
 - Normal rate per hour = Rs. 1.80
 - Standard time per unit = 20 seconds
 - Differentials to be applied :
 - 80% of piece rate below standard
 - 120% of piece rate at or above standard
 - Worker A produces 1300 units per day and worker B produces 1500 units per day.



18. Compute Machine Hour Rate for the following machine the scrap value of which is estimated to be Rs. 2,000.

Cost of Machine	Rs. 60,000
Freight and installation charges	Rs. 8,000
Working life of the machine	10 Years
Working hours	2,200 per year
Lubricating oil at Rs. 2 per day of 8 hours	
Consumable stores at Rs. 8 per day of 8 hours	
Salary of foreman (1/4 th of the machine – 2,640 per annum	
Power – 10 units per hour at 10 paise per unit	
Rent of the department (1/5 for the machine) 550 per year	
Repair charges 50% depreciation.	

(6×3=18)

SECTION – D

Answer **any two** questions. **Each** carries **eight** marks.

19. On the basis of the following information, prepare Process Accounts,

	Process X	Process Y	Process Z
	Rs.	Rs.	Rs.
Raw material used	6,000	4,000	2,000
Direct Labour	8,000	6,000	3,000
Manufacturing expenses	1,000	1,000	1,500
Scrap	2%	5%	10%
Sale price per 100 units	5	5	20
Output of each process	Units 19500	Units 18800	Units 16000

20000 units have been issued to Process 'X' at a cost of Rs. 10,000.

20. A firm of building contractors began to trade on 1st January 2014. During the year the company was engaged in only one contract. The contract price was 5,00,000.

Of the plant and materials charged to the contract, the plant which cost Rs. 5,000 and materials which cost Rs. 4,000 were lost in accident.

On 31st December 2014, the plant which cost Rs. 5,000 was returned to stores, the cost of work done but uncertified was Rs. 2,000 and the materials costing Rs. 4,000 were hand on site.

K21U 1591

-4-



Charge 10% depreciation on plant, carry forward by way of reserve one-third of the profit received and compile the contract account and the Balance Sheet from the following trial balance on December 31st 2014.

	Debit	Credit
Share Capital		
Creditors	—	1,20,000
Land and Buildings	—	10,000
Cash at Bank	43,000	—
Charged to Contract Account :	25,000	—
Materials		
Plant	90,000	—
Wages	25,000	—
Expenses	1,40,000	—
Cash received from the contractee (being 80% of work certified)	7,000	—
	—	2,00,000
	3,30,000	3,30,000

21. Following is an extract of the record of receipts and issues of sulphur in a chemical factory during February, 2011.

- Feb. 1 Opening balance 500 tonnes @ 200
- Feb. 3 Issue : 70 tonnes
- Feb. 4 Issue : 100 tonnes
- Feb. 8 Issue : 80 tonnes
- Feb. 13 Received from supplier 200 tonnes @ 190
- Feb. 14 Returned from department 15 tonnes
- Feb. 16 Issue : 180 tonnes
- Feb. 20 Received from supplier 240 tonnes @ 190
- Feb. 24 Issue : 300 tonnes
- Feb. 25 Received from supplier 320 tonnes @ 190
- Feb. 26 Issue : 115 tonnes
- Feb. 27 Returned from department 35 tonnes
- Feb. 28 Received from supplier 100 tonnes @ 190

Issues are to be priced on the principal of "FIFO". The stock verifier had found shortage of 10 tonnes on the 22nd and left note accordingly. Prepare Stores Ledger Account.

(8×2=16)