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**III Semester B.Com. (Hons.) Degree Examination, March - 2021****COMMERCE****Costing - I****(CBCS Freshers Scheme)****Time : 3 Hours****Maximum Marks : 70****Instructions to Candidates:**

Answers should be written completely in English

**SECTION - A**Answer any **five** sub-questions of the following. Each question carries **two** marks.**(5×2=10)**

1. a) Define Cost Accounting.  
b) What is Cost centre?  
c) State 2 differences between Bin Card and Stores Ledger.  
d) How do you calculate bonus under Rowan Premium Plan?  
e) What is Reconciliation Statement?  
f) Define Overhead.  
g) What is Machine Hour Rate?

**SECTION - B**Answer any **three** questions of the following. Each question carries **five** marks. **(3×5=15)**

2. Briefly explain the objectives of cost accounting.
3. The following transactions took place in respect of a material item "R"

Date	Receipts	Rate per unit	Issues
1.4.2020	50 units	4	-----
5.4.2020	70 units	5	-----
10.4.2020	-----	-----	60 units
15.4.2020	80 units	6	-----
20.4.2020	-----	-----	50 units

Prepare a stores ledger pricing the issues at weighted average price method.

**[P.T.O.]**





4. From the following particulars, calculate the total amount of wages payable under
- Halsey Plan
  - Rowan Plan

Standard time - 10 hours, Wage rate per hour - Rs. 5, Time taken - 8 hours.

5. From the following particulars compute the Machine Hour Rate

Particulars	Amount (Rs.)
Cost of the Machine	11,000
Scrap value	680
Repairs for the effective working life	1500
Standing charges for 4 weekly period	1600

Effective working life 10000 hours Power used 6 units

per hour @ 5 paisa per unit Hours worked in 4 weekly period - 120 hours.

### SECTION - C

Answer any **Three** questions of the following. Each question carries **15** marks.

(3×15=45)

6. The following expenses were incurred for a job during the year ended 31.3.2019

Particulars	Amount (Rs.)
Direct Materials	30,000
Direct wages	40,000
Chargeable Expenses	10,000
Factory Overheads	20,000
Selling and Distribution Overheads	20,000
Administration overheads	30,000
Selling Price of the Job	1,80,000



You are required to prepare a statement showing the profit earned for the year 2019 from the job and an estimated price for a job which is to be executed in the year 2021. Materials, Wages and Chargeable expenses will be required of Rs. 50,000, Rs. 70,000 and Rs. 20,000 respectively for the job. The various overheads should be recovered on the following basis while calculating the estimated price.

- Factory overheads as a % of direct wages.
- Administration and selling & Distribution overhead as a % of factory cost.





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7. From the following particulars relating to materials A. Show how the value of the issues should be arrived at under FIFO method and LIFO method

1.1.2020 - Opening Stock	1000 units at Rs. 5 each
3.1.2020 - Purchased	900 units at Rs. 6 each
10.1.2020 - Issued	1200 units
12.1.2020 - Purchased	800 units at Rs. 6 each
16.1.2020 - Purchased	300 units at Rs. 6 each
18.1.2020 - Issued	400 units
20.1.2020 - Issued	600 units
21.1.2020 - Purchased	200 units at Rs. 6 each
25.1.2020 - Issued	600 units



8. The Supreme company is divided into four department : A, B and C are production departments and D is a service department. The actual costs for Oct 2020 are as follows :

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Rent	1000	Supervision	1500
Repairs to plant	600	Fire insurance - stock	500
Depreciation of plant	450	Power	900
Light	100	Employees state insurance contribution	150

The following information is available in respect of the four departments.

Department	A	B	C	D
Area sq ft	1,500	1,100	900	500
Number of Employees	20	15	10	5
Direct 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	-----

Apportion the cost to the various departments preparing Overhead Distribution Summary.

[P.T.O.]





9. The net profit of A Co. Ltd appeared at Rs. 60,652 as per financial records for the year ending 31st March 2020. The cost books however showed a net profit of Rs. 86200 for the same period. A scrutiny of the figures from both the sets of accounts revealed the following facts :

Particulars	Amount (Rs.)
Works overhead under recovered in costs	1,560
Administrative overhead over recovered in costs	850
Depreciation charged in financial accounts	5,600
Depreciation recovered in costs	6250
Interest on investments not included in costs	4,000
Loss due to obsolescence charged in financial accounts	2850
Income tax provided in financial accounts	20,150
Bank interest and transfer fee credited in financial books	375
Stores adjustment (credit) in financial books	237
<b>Valuation of opening stock</b>	
In cost accounts	24,800
In financial accounts	26,300
<b>Valuation of closing stock</b>	
In cost accounts	25,000
In financial accounts	23,000
Interest charged in cost accounts	2,000
Goodwill written off	5,000
Loss on sale of furniture	600

Prepare a statement showing the reconciliation between the figure of net profit as per cost accounts and the figure of net profit as shown in the financial books.

